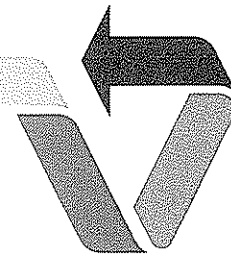


VENTURA REGIONAL SANITATION DISTRICT

1001 PARTRIDGE DRIVE, SUITE 150 • VENTURA, CA 93003-0704



A Public
Waste
Management
Agency

June 9, 2011

Board of Directors
Ventura Regional Sanitation District
Ventura, California

SEVERANCE PACKAGE

Summary

The Ventura Regional Sanitation District ("District") Board of Directors approved a staff recommended reduction in force ("RIF") on June 2, 2011. Layoffs will be effective at the end of the July 1, 2011 workday. The Board directed staff to prepare options on a severance package that would be appropriate to extend to the individuals that were impacted by the layoff. The Board felt that some consideration is appropriate given the difficult economic times.

Background

The District's Personnel and Salary Ordinance ("P&S") provides direction related to the layoff process. P&S Section 443 states that whenever possible employees subject to layoff shall be given at least ten days working days notice. The RIF approval on June 2, 2011 and the effective date of layoff on July 1, 2011 meets the 10 day noticing period as established by policy.

With the effective layoff date being July 1, 2011 the District will pay the employees full salary and benefits until then unless they resign or retire from the District prior to the July 1, 2011 date. In addition, the District has offered professional resume and interviewing assistance to all impacted individuals. This service includes several hours of professional services to collect information and develop their resumes and preparation of cover letters for potential job application. In addition the service includes counseling and tips on how to effectively interview. The service provider claims a 90 percent success rate of clients getting a job from their first batch of resumes. The cost is approximately \$300 per employee.

Historically, the District has not offered a severance package to employees subject to layoff. The Board indicated that consideration may be appropriate given the exceptional circumstances of the current economy. Although no further layoffs are anticipated, this deviation from policy may set a precedent for future District practices. The early retirement program offered to staff last year was distinct and separate from a layoff. The early retirement program was not a severance and should not be considered as an option by the Board.

Staff has consulted with legal counsel regarding a severance package option. Legal counsel's opinion indicated that a severance is an option for the Board to consider provided two requirements are followed:

Ventura County • **CITIES:** Camarillo • Fillmore • Ojai • Oxnard • Port Hueneme • San Buenaventura • Santa Paula • Thousand Oaks

SPECIAL DISTRICTS: Camarillo Sanitary • Camrosa Water • Channel Islands Beach Community Services • Montalvo Municipal Improvement •
Ojai Valley Sanitary • Saticoy Sanitary • Triunfo Sanitation • Ventura County Waterworks Nos. 1 and 16

Item 11-1

1. A maximum of 18 months salary cannot be exceeded.
2. The District must obtain a Release and Waiver agreement in consideration of the severance.

Comparative

Staff contacted local cities to survey what types of severance packages have been offered recently. Staff identified three cities that have implemented a severance package along with one city that has a pending action. The cities of Ventura, Thousand Oaks, and Santa Paula have all had layoffs in the last several years. The City of Port Hueneme is considering a layoff depending on contract negotiations with the Navy. The following is a summary of what each of these cities implemented or is considering.

Ventura and Port Hueneme

- Salary of one week pay for each year of service plus 1 week, with a maximum of 13 weeks. (Partial year service rounded up.)
- The average of twelve months of cafeteria dollars for continued health insurance.
- One month of professional outplacement services.
- Must sign a Release and Waiver Agreement.

Thousand Oaks

- Three (3) months pay regardless of years of service.

Santa Paula

- Two (2) weeks of pay regardless of service.
- Must sign a Release and Waiver Agreement.

Discussion

Staff has prepared several severance package options for Board consideration. The options below reflect the parameters that staff was directed to include by either the Board or legal counsel.

1. One time only payout.
2. Must sign a release and waiver for severance consideration.
3. Extended only to individuals that have not found employment prior to the July 1, 2011 effective layoff date.
4. Severance pay should be service related and reasonable.
5. Employee forfeiture of severance package if employment is obtained prior to severance package expiration.

Staff has confirmed that Item 5 above is a legal option that may be written into the severance agreement. However, the practical implementation of this option would likely affect only two (2) employees. To track and enforce this requirement would require additional staff time and possibly payroll modifications. The added costs for staff time to monitor and track this effort would most likely add to the overall District cost rather than save money. Staff is not recommending proceeding with Item 5.

With these parameters in mind staff has prepared three options (two with a supplement) for Board consideration.

Option 1:

- Follow the District's existing policy of 10 days notification.

District cost \$0

Option 2:

- Salary of one (1) week pay for each year of service up to a maximum of 12 weeks.
- Professional resume and cover letter preparation services, along with interviewing tips.
- Must sign a Release and Waiver Agreement.

District cost \$45,008

Option 2A:

- Salary of one (1) week pay for each year of service up to a maximum of 12 weeks.
- Professional resume and cover letter preparation services, along with interviewing tips.
- Three (3) months average cafeteria dollars (to offset continued medical coverage).
- Must sign a Release and Waiver Agreement.

District cost \$50,708

Option 3:

- One (1) month pay regardless of time of service.
- Professional resume and cover letter preparation services, along with interviewing tips.
- Must sign a Release and Waiver Agreement.

District cost \$30,786

Option 3A:

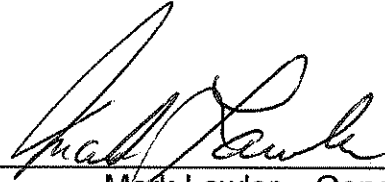
- One (1) month pay regardless of time of service.
- Professional resume and cover letter preparation services, along with interviewing tips.
- Three (3) months average cafeteria dollars (to offset continued medical coverage).
- Must sign a Release and Waiver Agreement.

District cost \$36,486

Recommendation:

Staff is recommending Option 2 as a lump sum distribution based on the parameters given by the Board.

APPROVED FOR JULY 7, 2011 AGENDA



Mark Lawler – General Manager