



# Press Release

## City of Edmonds

*Mayor David O. Earling*

***For Immediate Release: August 31, 2012***

To: City Council  
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### **City of Edmonds Voluntary Separation Incentive Program**

**(Edmonds – WA)** As Mayor Earling prepares and implements his strategy to deliver a 2013 balanced budget to the City Council, he is working on several initiatives, one of which is a Voluntary Separation Incentive Program (VSIP). The VSIP aims to reduce the City's overall salary and benefit costs by reducing staff levels, while minimizing impacts on service level to citizens. This program gives City Departments the option to offer incentives to employees to voluntarily separate from employment. Employees had a chance to apply for this program in late July, early August. In order to be approved for participation, the employee's separation from employment must result in a quantified, on-going savings to the City in the form of force reduction. In addition, all separation agreements must be approved by Council.

The incentive that is available for those employees who are accepted into the program is based on their tenure of service. The selected employees will have the option of choosing a combination of salary and/or health benefits through cobra as the incentive. For example, an employee that has been with the City less than five years would be eligible for a cash incentive of three months of salary, or two months of salary and 50% of individual health benefits for nine months, or two months of salary and 75% of individual health benefits for six months. The maximum an employee can receive is six months of salary and/or the combination of salary and benefits. Employees with 15 or more years of service would be eligible for the maximum incentive.

The incentive payments would be made with the year-end cash balance, so as not to add to the 2013 expenditures. Since the Mayor called for a hiring freeze last Spring, the city has the ability to use this savings to implement the program.

The Mayor rolled this out as a onetime, non-precedent-setting offer, specific to the need to balance the 2013 budget. Preliminary results show that this has a potential of cutting up to \$500,000 ongoing out of the budget.