



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**  
**County Manager's Office**



**DATE:** April 9, 2012  
**BOARD MEETING DATE:** April 24, 2012  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority

**TO:** Honorable Board of Supervisors  
**FROM:** John L. Maltbie, County Manager  
**SUBJECT:** Voluntary Employee Separation Program

**RECOMMENDATION:**

Adopt a Resolution directing the County Manager to implement the Voluntary Employee Separation Program (VESP), in which employees in classifications facing probable lay-off are offered a cash payment to end their employment.

**BACKGROUND:**

The County continues to experience the combined impact from the national economic downturn and the State's significant reduction in support to local governments. While the County explores fiscal control measures as part of the FY2012-13 budget process, additional measures should be considered to situate San Mateo County in the most advantageous position to address this fiscal crisis.

One such measure that the County has employed in the past was the Voluntary Employee Separation Program (VESP), in which employees in classifications facing probable lay-off are offered a cash payment to end their employment. While this program is only one tool, it contributes to voluntary employee attrition, reducing long-term salary expenditures, and minimizing involuntary employee separation through a lay-off process.

**DISCUSSION:**

This program is structured to meet short timelines and necessary flexibility by authorizing and directing the County Manager to determine which job classifications are crucial to reducing the County's ongoing structural deficit and to offer this program to employees in those classifications during 2012 as he deems most advantageous to the County's interest. The County Manager shall proceed in accordance with the following criteria, set forth in the attached resolution:

1. Selected job classifications must be impacted by planned budget reductions.
2. Payments to individual employees shall be limited to \$15,000 for current full-time employees who have been continuously employed by the County for the equivalent of at least five years (10,400 hours), and \$20,000 for current full-time employees who have been continuously employed by the County for the equivalent of at least ten years (20,800 hours).
3. The County will pay the first 6 months of the employer's share of post - employment health care premiums.
4. To be eligible to apply, an employee in any selected job classification must satisfy all of the following requirements:
  - a. Be in a paid status as a full-time regular employee (*i.e.*, extra help, provisional, and unclassified employees are not eligible) in the designated classification;
  - b. Have been employed by the County continuously for the equivalent of at least five years (10,400 hours);
  - c. Have not submitted notice of resignation or applied for retirement on or before the date the program is announced for his/her particular job classification.
5. The County Manager or his designee shall communicate additional guidelines as necessary.
6. Employees who are selected will be barred from working for the County in any capacity for twenty-four months, including as a regular employee, extra help, working retiree, independent contractor, consultant, or any other similar relationship such as directly providing services to the County as an employee for a contractor or consultant doing business with the County.

County Counsel has reviewed and approved the Resolution as to form.

Approval of this Voluntary Separation Program contributes to Shared Vision 2025 of a Prosperous Community by helping to reduce the structural budget deficit.

**FISCAL IMPACT:**

Payments made to employees will result in the elimination of positions from the budget for on-going savings estimated at approximately \$100,000 per position per budget year. By way of example, each eliminated position would have a one-time VESP cost of approximately \$25,000 (including benefits) but would save the County an average of \$175,000 over two years.