

**VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION**

 X Resolution or Ordinance (Blue) *Waiver of First requested*
 Recommendations of Boards, Commissions & Committees (Green)
 Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES
 FROM: David A Hulseberg, Village Manager *DAH*
 DATE: November 29, 2012 (B of T) Date: December 6, 2012
 TITLE: Severance/Retirement Pay Buyout
 SUBMITTED BY: Kathleen Dunne, Human Resource Administrator

BACKGROUND/POLICY IMPLICATIONS:

All non-union & Teamsters employees hired before 11/1/08 and all AFSCME employees hired before 1/1/09 are eligible for retirement pay according to the schedule below:

10-14 years of service	4 weeks pay
15-19 years of service	7 weeks pay
20 or more years of service	9 weeks pay

In an effort to reduce the Village's future liability for this benefit, a program is being proposed to buyout these benefits from all eligible employees.

Below are the details being proposed for each group:

<u>Group</u>	<u>Base amount</u>	<u>Base Years</u>	<u>% of Salary for Each Addl. Year</u>
AFSCME	\$1,500	9 months	0.25%
Teamsters & Non-Union	\$1,000	9 months	0.20%

The above Severance/Retirement buyout would be contingent upon the approvals from AFSCME and Teamsters unions. The attachments show details of the Severance/Retirement buyout that was given to the unions.

FISCAL IMPACT/FUNDING SOURCE:

Village Attorney	_____	Date	_____
Finance Director	_____	Date	_____
Village Manager	<i>David A Hulseberg</i>	Date	<i>12/3/12</i>

RESOLUTION
R _____ 13

**A RESOLUTION APPROVING THE SEVERANCE
RETIREMENT BUYOUT AGREEMENT**

WHEREAS, the Corporate Authorities of the Village of Lombard have reviewed the proposed Severance Retirement Buyout Agreement between the Teamsters, AFSCME AFL-CIO, Council 31, Local 89, non-union employees and the Village of Lombard, as attached hereto and marked Exhibits "A, B & C"; and

WHEREAS, the Corporate Authorities deem it to be in the best interest of the Village of Lombard to approve such agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS as follows:

SECTION 1: That the Village Manager and/or his designee(s) be and hereby is authorized to sign on behalf of the Village of Lombard said agreement.

Adopted this _____ day of _____, 2012.

Ayes: _____

Nays: _____

Absent: _____

Approved this _____ day of _____, 2012.

Peter Breen
Acting Village President

ATTEST:

Brigitte O'Brien
Village Clerk

VILLAGE OF LOMBARD VOLUNTARY SEVERANCE RETIREMENT BUYOUT

The Village of Lombard is offering a voluntary Severance Retirement Buyout for eligible non-union employees (hired before 11/1/08). The effective period for the Severance Retirement buyout program is 1/1/13 to 3/31/13. To be eligible to buyout the Severance Retirement benefit, the following criteria would need to be met:

- * Any regular full-time employee hired before November 1, 2008.
- * Employed for the Village of Lombard for at least 9 months (non-probationary).

Please note: No regular employee shall be entitled to this benefit more than once, even if after receiving said benefit they were reemployed by the Village in a position other than the position they held when they received the benefit.

DETAILS OF SEVERANCE RETIREMENT BUYOUT

<u>Base amount</u>	<u>Base Years</u>	<u>% of Salary for Each Addl. Yr</u>
\$ 1000	9 months (non-probationary)	0.20%

Example:

An employee as of today has 12.33 years of service with an annual salary of \$54,660 severance buy out would be \$2265.77.

An employee that elects to buyout their Severance Retirement benefit will not be eligible to receive this benefit in the future. The Severance Retirement buyout will be paid in lieu of future severance payout upon retirement.

SEVERANCE RETIREMENT NOTIFICATION

An employee wishing to buyout their severance retirement benefit shall sign the attached written notice and return it to Human Resources within the period of 1/1/13 to 3/31/13.

Once notification is made to Human Resources, the employee will receive a supplemental check with the severance buyout the following pay period (up to 14 calendar days).

If you have any questions, please feel free to contact Kathleen Dunne, Human Resources Administrator at 630-620-5918.

VILLAGE OF LOMBARD VOLUNTARY SEVERANCE RETIREMENT BUYOUT

Pursuant to the collective bargaining agreement between the Village of Lombard and AFSCME AFL-CIO, Council 31, Local 89, (Section 17.10 Severance) the Village of Lombard is offering a voluntary Severance Retirement Buyout for eligible AFSCME union employees (hired before 1/1/09). The effective period for the Severance Retirement buyout program is 1/1/13 to 3/31/13. To be eligible to buyout the Severance Retirement benefit, the following criteria would need to be met:

- * Any regular full-time employee hired before January 1, 2009.
- * Employed for the Village of Lombard for at least 9 months (non-probationary).

DETAILS OF SEVERANCE RETIREMENT BUYOUT

<u>Base amount</u>	<u>Base Years</u>	<u>% of Salary for Each Addl. Yr</u>
\$ 1500	9 months (non-probationary)	0.25%

Example:

An employee as of today has 5.88 years of service with an annual salary of \$54,286, severance buy out would be \$2,196.71.

An employee that elects to buyout their Severance Retirement benefit will not be eligible to receive this benefit in the future. The Severance Retirement buyout will be paid in lieu of future severance payout upon retirement.

SEVERANCE RETIREMENT NOTIFICATION

An employee wishing to buyout their severance retirement benefit shall sign the attached written notice and return it to Human Resources within the period of 1/1/13 to 3/31/13.

Once notification is made to Human Resources, the employee will receive a supplemental check with the severance buyout the following pay period (up to 14 calendar days).

IF you have any questions, please feel free to contact Kathleen Dunne, Human Resources Administrator at 630-620-5918.

VILLAGE OF LOMBARD VOLUNTARY SEVERANCE RETIREMENT BUYOUT

The Village of Lombard is offering a voluntary Severance Retirement Buyout for eligible Teamsters union employees (hired before 11/1/08). The effective period for the Severance Retirement buyout program is 1/1/13 to 3/31/13. To be eligible to buyout the Severance Retirement benefit, the following criteria would need to be met:

- * Any regular full-time employee hired before November 1, 2008.
- * Employed for the Village of Lombard for at least 9 months (non-probationary).

Please note: No regular employee shall be entitled to this benefit more than once, even if after receiving said benefit they were reemployed by the Village in a position other than the position they held when they received the benefit.

DETAILS OF SEVERANCE RETIREMENT BUYOUT

<u>Base amount</u>	<u>Base Years</u>	<u>% of Salary for Each Addl. Yr</u>
\$ 1000	9 months (non-probationary)	0.20%

Example:

An employee as of today has 17.69 years of service with an annual salary of \$53,458, severance buy out would be \$2,811.66.

An employee that elects to buyout their Severance Retirement benefit will not be eligible to receive this benefit in the future. The Severance Retirement buyout will be paid in lieu of future severance payout upon retirement.

SEVERANCE RETIREMENT NOTIFICATION

An employee wishing to buyout their severance retirement benefit shall sign the attached written notice and return it to Human Resources within the period of 1/1/13 to 3/31/13.

Once notification is made to Human Resources, the employee will receive a supplemental check with the severance buyout the following pay period (up to 14 calendar days).

If you have any questions, please feel free to contact Kathleen Dunne, Human Resources Administrator at 630-620-5918.

SEVERANCE RETIREMENT BUYOUT AGREEMENT

I, _____, have elected to buyout my Severance Retirement benefit. I acknowledge by electing to buyout my Severance Retirement benefit at this time, I will not be eligible to receive this benefit in the future upon retirement.

I have read and understood the Agreement and hereby certify that I am entering into it freely and voluntarily. I understand and intend that this Agreement constitutes a legally binding and enforceable agreement.

AGREED:

Name (Please print)

Signature

Date

VILLAGE OF LOMBARD

By: _____