

ORDINANCE No. 120921

COUNCIL BILL No. 114311

AN ORDINANCE relating to employees of the Department of Parks and Recreation, Zoo Program, authorizing the withdrawal of certain amounts from the City Employees' Retirement System and amending Chapter 4.36 of the Seattle Municipal Code.

The City

Honorable President:

Your Committee on _____

to which was referred the within Council report that we have considered the same

COMPTROLLER FILE No. _____

| | |
|------------------------------------|------------------------|
| Introduced: SEP -9 2002 | By: DRAGO |
| Referred: SEP -9 2002 | To: FULL COUNCIL |
| Referred: | To: |
| Referred: | To: |
| Reported: 9-16-02 | Second Reading: |
| Third Reading: 9-16-02 | Signed: 9-16-02 |
| Presented to Mayor: 9-17-02 | Approved: 9/23/02 |
| Returned to City Clerk: 9/24/02 | Published: full kmp |
| Vetoed by Mayor: | Veto Published: |
| Passed over Veto: | Veto Sustained: |

9-16-02 Passed

Law Department

The City of Seattle--Legislative Department

REPORT OF COMMITTEE

Date Reported
and Adopted

able President:

ommittee on

h was referred the within Council Bill No.

that we have considered the same and respectfully recommend that the same:

16-02 Passed As Amended 970

Department

Committee Chair

ORDINANCE 120921

AN ORDINANCE relating to employees of the Department of Parks and Recreation, Zoo Program, authorizing the withdrawal of certain amounts from the City Employees' Retirement System and amending Chapter 4.36 of the Seattle Municipal Code.

WHEREAS, City of Seattle Ordinance 120697 approved an agreement between the City and the Woodland Park Zoological Society (the "Zoo Society") whereby the Zoo Society assumed responsibility for the operation and management of the Woodland Park Zoo over a renewable twenty-year period, beginning March 1, 2002 (the "Operations and Management Agreement"); and

WHEREAS the Operations and Management Agreement specifically provides for the development of an Employee Transition Plan by December 31, 2002 to address, among other things, a means for transferring the value of the pension benefits of Zoo employees who transition to Zoo Society employment; and

WHEREAS, the transition of Department of Parks and Recreation employees currently assigned to the Zoo from City employment to Zoo Society employment will assist the Zoo Society in fully and efficiently executing its responsibilities under the Operations and Management Agreement; and

WHEREAS, the City Council finds that allowing City employees assigned to the Zoo to make certain withdrawals from the City Employees' Retirement System upon such employees' transition to Zoo Society employment is in the best interests of the City, the City employees assigned to the Zoo, the Woodland Park Zoo, and the Zoo Society and would facilitate an expeditious and efficient transition of employment resources from the City to the Zoo Society; and

WHEREAS, the actuary for the City issued a written opinion concluding that the effect on the Retirement System of withdrawals by City employees assigned to the Zoo, consistent with the terms set forth in this Ordinance, would be substantially neutral and would not adversely affect the Plan's funding.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. A new section is added to the Seattle Municipal Code as follows:

1
2 **4.36.199 Zoo Employees Transitioning to Woodland Park Zoological Society Employment.**

3 A. Authority. Notwithstanding any other provision of this Chapter 4.36, a member
4 separating from City employment with the Department of Parks and Recreation, Zoo Program,
5 pursuant to the ordinance introduced as Council Bill 114313, shall be eligible for those benefits
6 to which he or she is entitled under the provisions of this chapter, or, in lieu of such benefits,
7 such member may elect to take the lump sum payout as provided in this section. If such member
8 elects to take the lump sum payout as provided herein, he or she must make written application
9 therefor. If all of the conditions set forth herein are met, the Board of Administration shall,
10 consistent with its rules and procedures, provide the member with a lump sum payout equal to
11 the member's accumulated contributions plus interest calculated at 5.75% per annum, plus an
12 additional amount (approximating the City's contributions on behalf of that member) equal to the
13 member's accumulated contributions plus interest calculated at 5.75% per annum. The member
14 may elect to have the payment made directly to a specified eligible retirement plan pursuant to
Section 4.36.193.

15 B. Conditions and Application. The member's application shall be filed with the
16 Board of Administration no later than December 3, 2002 and accompanied by proof that the
17 member has irrevocably elected to separate from City employment under the terms of the
18 Separation Incentive Program -- Zoo Program established pursuant to the ordinance introduced as
19 Council Bill 114313.

20 Section 2. Subsection 4.36.190 B 3 of the Seattle Municipal Code is amended as follows:

21
22 **SMC 4.36.190 Discontinuance or reentrance of eligible employee -- Purchase of creditable
23 service.**

24 ***

25 B. Redeposit and Purchase of Creditable Service.

26 ***

27 3. If a member within two (2) years after reentering the retirement system after a
28 termination of his or her membership does not make such a redeposit or file a properly executed

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2 redeposit contract, he or she may purchase all, or some part of, his or her former creditable
3 service only by paying into the retirement fund the amount, or some part thereof, he or she
4 previously withdrew plus compound interest as determined by the Board. The following
5 provisions apply to redeposits made pursuant to this subsection SMC 4.36.190 B3:

6 a. Determination of applicable interest rates. The interest rate for each
7 year since the date of withdrawal of contributions shall be the greater of the rate the retirement
8 fund has earned, net of fees, as reported by the Retirement System's Investment Performance
9 Consultant, or the interest rate equivalent to the actuarial assumed rate of investment return at the
10 time of executing the redeposit contract.

11 b. Calculation of "accumulated contributions." For purposes of
12 determining a member's accumulated contributions pursuant to SMC 4.36.030 B, only a portion
13 of the total amount deposited shall be considered. The portion to be considered as the member's
14 accumulated contributions shall be only the amount previously withdrawn as the member's
15 contributions including interest, plus interest calculated at the actuarial assumed rate of
16 investment return.

17 c. Withdrawal of contributions limited. The total amount deposited for
18 the purchase of said former creditable service will be available for withdrawal by the member
19 only if the member terminates employment with the City and withdraws his or her total
20 accumulated contributions prior to retirement or dies and benefits are not payable under
21 subsections 4.36.270 B and C. In the event such redeposit is made by a member, his rate of
22 contribution shall be as determined under Section 4.36.110 A, and the City shall reinstate all, or
23 that part of, the former creditable service purchased by the member.

24 Section 7. Any acts made consistent with the authority and prior to the effective date of
25 this ordinance are hereby ratified and confirmed.

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Section 8. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

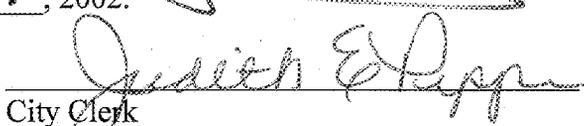
Passed by the City Council the 16th day of September 2002, and signed by me in open session in authentication of its passage this 16th day of September 2002.



President _____ of the City Council

Approved by me this 23 day of September 2002


Gregory J. Nickels, Mayor

Filed by me this 24th day of Sept., 2002.


City Clerk

(Seal)

Fiscal Note: Employees of the Department of Parks and Recreation, Zoo Program

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|--|---|--|
| Department: Parks and Recreation | Contact Person/Phone: Sarah Welch, 684-7303 | DOF Analyst/Phone: Marilynne Gardner, 233-5109 |
|--|---|--|

Legislation Title:

AN ORDINANCE relating to employees of the Department of Parks and Recreation, Zoo Program, authorizing the withdrawal of certain amounts from the City Employees' Retirement System and amending Chapter 4.36 of the Seattle Municipal Code.

Summary of the Legislation:

The proposed legislation would extend the terms of the Separation Incentive Program to Zoo employees in order to encourage City employees to transition to Zoo Society employment. The legislation also implements three sections of the Management and Operations Agreement executed this past March 1 between the Zoo Society and the City through the Department of Parks and Recreation. The legislation authorizes the employees who move to Zoo Society employment the option of cashing out or transferring their sick leave and vacation balance.

The Separation Incentive Program for Zoo Employees is actually legislated in two pieces of legislation—one for the changes in retirement and the other to authorize the SIP and the arrangements for City payment to the Zoo Society for the costs of vacation and sick leave that the employees accrued while working as City employees. All of these elements were contemplated in the Management and Operations Agreement that the City Council adopted and the City executed in March of this year.

Background (Include justification for the legislation and funding history, if applicable):

Passed in December 2001, Ordinance 120697 approved the Operations and Management agreement between the City and the Zoo Society. The agreement makes provision for City employees to transfer to Zoo Society employment if they choose to leave City employment. When the City offered a Separation Incentive Program to City employees the Zoo Society saw it as an opportunity and a model for transition of City Employees to Zoo Society employment. Unified management at the Zoo is a shared goal of the City and the Zoo Society. 124 Zoo employees applied for the City's Separation Incentive Program but the City had not yet provided for the means for transition of sick leave, vacation and pension benefits as contemplated in the Management and Operations Agreement. This legislation offers the same SIP to all Zoo Employees but adds the provisions to transfer vacation and sick leave balances without having to cash them out as they would if they otherwise resigned from the City. The second piece of legislation authorizes the pension withdrawal that was also contemplated under the Agreement with the Zoo Society.

The proposed ordinance has no fiscal impacts for the City. The Zoo Society is responsible for compensating the City for all payroll costs in excess of the agreed to General Fund contribution



of \$5 million. The City has contemplated the financial arrangements to compensate the Zoo Society for sick leave and vacation accrued by City employees at the Zoo and will budget these expenses as outlined in the Management and Operations Agreement over the next 4 years. Neither does it have any FTE impacts, other than facilitating City employees' ability to terminate City employment and accept job offers from the Zoo Society. At a later date the Department of Parks and Recreation intends to introduce legislation that would sunset positions (and eventually eliminate them from the budget) when they become vacant.

Public Private Partnership Review Status:

Is the project referenced in the legislation subject to P4 review? If yes, identify P4 review to date.

No.

Is the legislation subject to public hearing requirements? If yes, what public hearings have been held to date?

No.

Fiscal Sustainability Issues (related to grant awards):

None.

Estimated Expenditure Impacts: NONE

| FUND (List # and/or Account) | 2002 | 2003 | 2004 |
|------------------------------|------|------|------|
| | | | |
| | | | |
| | | | |
| TOTAL | | | |

One-time \$ _____

On-going \$ _____

Estimated Revenue Impacts: NONE

| FUND (List # and/or Account) | 2002 | 2003 | 2004 |
|------------------------------|------|------|------|
| | | | |
| | | | |
| | | | |
| TOTAL | | | |

One-time \$ _____

On-going \$ _____

Estimated FTE Impacts: NONE



| FUND (List # and/or Account) | 2002 | 2003 | 2004 |
|------------------------------|------|------|------|
| | | | |
| | | | |
| TOTAL | | | |

Full Time _____ # Part Time _____ # TES _____

Do positions sunset in the future? If yes, identify sunset date?

Yes, a sunset provision will be included in the Employee Transition Plan

Other Issues (including long-term implications of the legislation):

None.





City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

September 3, 2002

Honorable Peter Steinbrueck
President
Seattle City Council
Municipal Building, 11th Floor

Dear Council President Steinbrueck:

The attached ordinance is part of a legislative package that would extend the terms of the Separation Incentive Program to Zoo employees to further the transition of those employees to Zoo Society employment. The reason we are proposing a separate Separation Incentive Program for Zoo employees is that the circumstances for employees to transition to the Zoo are somewhat different from those of other employees. Upon the advice from the City Attorney we concluded that the program is sufficiently different as to require separate legislation and separate timelines for offering the program. The legislation also implements three sections of the Management and Operations Agreement executed this past March 1 between the Zoo Society and the City through the Department of Parks and Recreation. The legislation authorizes the employees who move to Zoo Society employment the option of cashing out or transferring their sick leave and vacation balance.

The Separation Incentive Program for Zoo Employees is actually legislated in two pieces of legislation—one for the changes in retirement and the other to authorize the SIP and the arrangements for City payment to the Zoo Society for the costs of vacation and sick leave that the employees accrued while working as City employees. All of these elements were contemplated in the Management and Operations Agreement which the City Council adopted and the City executed in March of this year.

Thank you for your consideration of this legislation. Should you have questions please contact Sarah Welch at 684-7303.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Nickels", written over a large, faint, circular stamp or watermark.

GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



From: Candice Chin
To: Margaret Carter; Theresa Dunbar
Date: 8/30/02 4:34PM
Subject: Ordinance Title for 9/9 Introduction

By: Drago
To: Full Council

Margaret/Theresa:

The following is the approved title for the second ordinance the Parks Department is submitting for Sept. 9 introduction.

Thanks,
Candice
3-7014

AN ORDINANCE relating to employees of the Department of Parks and Recreation, Zoo Program, authorizing the withdrawal of certain amounts from the City Employees' Retirement System and amending Chapter 4.36 of the Seattle Municipal Code.

CC: Carol Metcalf; Darwyn Anderson; Dwight Dively; Ken Bounds; Krista Bunch; Lisa Peyer; Marilyn Sherron; Marilynne Gardner; Maureen Madion; Michael Mann; Mike Schoeppach; Mike Waller; Rodney Eng; Sarah Welch; Shauna Fitzner



ORDINANCE

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3 AN ORDINANCE relating to employees of the Department of Parks and Recreation, Zoo
4 Program, authorizing the withdrawal of certain amounts from the City Employees'
5 Retirement System and amending Chapter 4.36 of the Seattle Municipal Code.

6 WHEREAS, City of Seattle Ordinance 120697 approved an agreement between the City and the
7 Woodland Park Zoological Society (the "Zoo Society") whereby the Zoo Society
8 assumed responsibility for the operation and management of the Woodland Park Zoo over
9 a renewable twenty-year period, beginning March 1, 2002 (the "Operations and
10 Management Agreement"); and

11 WHEREAS the Operations and Management Agreement specifically provides for the
12 development of an Employee Transition Plan by December 31, 2002 to address, among
13 other things, a means for transferring the value of the pension benefits of Zoo employees
14 who transition to Zoo Society employment; and

15 WHEREAS, the transition of Department of Parks and Recreation employees currently assigned
16 to the Zoo from City employment to Zoo Society employment will assist the Zoo Society
17 in fully and efficiently executing its responsibilities under the Operations and
18 Management Agreement; and

19 WHEREAS, the City Council finds that allowing City employees assigned to the Zoo to make
20 certain withdrawals from the City Employees' Retirement System upon such employees'
21 transition to Zoo Society employment is in the best interests of the City, the City
22 employees assigned to the Zoo, the Woodland Park Zoo, and the Zoo Society and would
23 facilitate an expeditious and efficient transition of employment resources from the City to
24 the Zoo Society; and

25 WHEREAS, the actuary for the City issued a written opinion concluding that the effect on the
26 Retirement System of withdrawals by City employees assigned to the Zoo, consistent
27 with the terms set forth in this Ordinance, would be substantially neutral and would not
28 adversely affect the Plan's funding.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. A new section is added to the Seattle Municipal Code as follows:

4.36.199 Zoo Employees Transitioning to Woodland Park Zoological Society Employment.

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2 3. If a member within two (2) years after reentering the retirement system after a
3 termination of his or her membership does not make such a redeposit or file a properly executed
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Section 7. Any acts made consistent with the authority and prior to the effective date of this ordinance are hereby ratified and confirmed.

Section 8. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2002, and signed by me in open session in authentication of its passage this ____ day of _____, 2002.

President _____ of the City Council

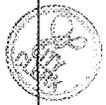
Approved by me this ____ day of _____, 2002.

Gregory J. Nickels, Mayor

Filed by me this ____ day of _____, 2002.

City Clerk

(Seal)



STATE OF WASHINGTON – KING COUNTY

--SS.

150318
City of Seattle, Clerk's Office

No. ORDINANCE IN FULL

Affidavit of Publication

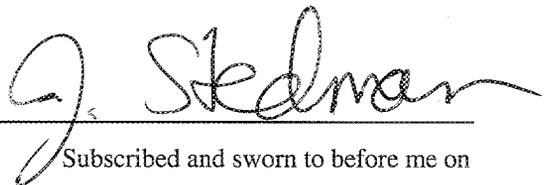
The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

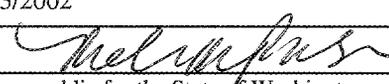
CT:120921/ORD IN FULL

was published on

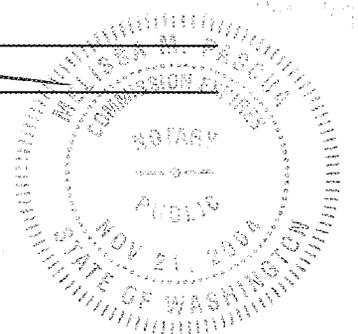
10/3/2002


Subscribed and sworn to before me on

10/3/2002


Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication



State of Washington, King County

City of Seattle

ORDINANCE 120921

AN ORDINANCE relating to employees of the Department of Parks and Recreation, Zoo Program, authorizing the withdrawal of certain amounts from the City Employees' Retirement System and amending Chapter 4.36 of the Seattle Municipal Code.

WHEREAS, City of Seattle Ordinance 120697 approved an agreement between the City and the Woodland Park Zoological Society (the "Zoo Society") whereby the Zoo Society assumed responsibility for the operation and management of the Woodland Park Zoo over a renewable twenty-year period, beginning March 1, 2002 (the "Operations and Management Agreement"); and

WHEREAS, the Operations and Management Agreement specifically provides for the development of an Employee Transition Plan by December 31, 2002 to address, among other things, a means for transferring the value of the pension benefits of Zoo employees who transition to Zoo Society employment; and

WHEREAS, the transition of Department of Parks and Recreation employees currently assigned to the Zoo from City employment to Zoo Society employment will assist the Zoo Society in fully and efficiently executing its responsibilities under the Operations and Management Agreement; and

WHEREAS, the City Council finds that allowing City employees assigned to the Zoo to make certain withdrawals from the City Employees' Retirement System upon such employees' transition to Zoo Society employment is in the best interests of the City, the City employees assigned to the Zoo, the Woodland Park Zoo, and the Zoo Society and would facilitate an expeditious and efficient transition of employment resources from the City to the Zoo Society; and

WHEREAS, the actuary for the City issued a written opinion concluding that the effect on the Retirement System of withdrawals by City employees assigned to the Zoo, consistent with the terms set forth in this Ordinance, would be substantially neutral and would not adversely affect the Plan's funding.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

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4.36.199 Zoo Employees Transitioning to Woodland Park Zoological Society Employment.

A. Authority. Notwithstanding any other provision of this Chapter 4.36, a member separating from City employment with the Department of Parks and Recreation, Zoo Program, pursuant to the ordinance introduced as Council Bill 114413, shall be eligible for those benefits to which he or she is entitled under the provisions of this chapter, or, in lieu of such benefits, such member may elect to take the lump sum payout as provided in this section. If such member elects to take the lump sum payout as provided herein, he or she must make written application therefor. If all of the conditions set forth herein are met, the Board of Administration shall, consistent with its rules and procedures, provide the member with a lump sum payout equal to the member's accumulated contributions plus interest calculated at 5.75% per annum, plus an additional amount (approximating the City's contributions on behalf of that member) equal to the member's accumulated contributions plus interest calculated at 5.75% per annum. The member may elect to have the payment made directly to a specified eligible retirement plan pursuant to Section 4.36.193.

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