

San Diego

The City of Seattle--Legislative Department

REPORT OF COMMITTEE

Date Reported
and Adopted

able President:

committee on

h was referred the within Council Bill No

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

Pass 2-0 (J.P.P.S) (abstain C.N.C.)

1-03 Passed 7-0 (Excused: Conlin, Williams)

Department

D

Committee Chair

*from notes
E. W. D.
formal letter
April 10th 1903
has been
Attachments
A, B, & C*

ORDINANCE 121125

1
2
3 AN ORDINANCE relating to the Department of Parks and Recreation, Zoo Program; providing
4 for various matters that will allow a smooth transition from Zoo employment of the
5 remaining twenty-eight (28) City employees holding positions within the Department of
6 Parks and Recreation, Zoo Program; providing for waivers of cash payments for
7 accumulated sick leave and vacation balances for such employees who choose to transfer
8 to Zoo Society employment; authorizing an amendment to the Employee Transition
9 Agreement; amending SMC 4.36.199 and authorizing the withdrawal of certain amounts
10 from the Seattle City Employees' Retirement System for such employees who choose to
11 transfer to Zoo Society employment; authorizing and ratifying a Memorandum of
12 Understanding between the City and the bargaining representatives of the employees of
13 the Department of Parks and Recreation, Zoo Program; and abrogating all remaining
14 positions within the Department of Parks and Recreation, Zoo Program, as such
15 positions become vacant or by December 31, 2004, whichever is sooner.

16
17 WHEREAS, on March 1, 2002, the City and the Woodland Park Zoological Society (the "Zoo
18 Society") entered into the Woodland Park Zoo Operations and Management Agreement,
19 pursuant to which, the Zoo Society assumed responsibility for the operation and
20 management of the Woodland Park Zoo over a renewable twenty-year period; and

21
22 WHEREAS, one hundred fifteen (115) City employees of the Zoo Program separated from City
23 employment under the City's Separation Incentive Program for Zoo Program employees,
24 established by Ordinance 120922; and

25
26 WHEREAS, twenty-eight (28) City employees remain employed in City positions assigned to
27 the Woodland Park Zoo, and enabling those employees to transition smoothly from City
28 employment to Zoo Society employment will assist the Zoo Society in fully and
efficiently executing its responsibilities under the Woodland Park Zoo Operations and
Management Agreement; and

WHEREAS, as authorized by Ordinance 120922, an Employee Transition Agreement amending
the Woodland Zoo Operations and Management Agreement was signed on November
25, 2002. This Employee Transition Agreement provided credit for accumulated
vacation and sick leave balances of former City employees transitioning to the Zoo
Society, and established a framework for providing similar benefits for the remaining 28
City employees currently assigned to the Woodland Park Zoo choosing to become Zoo
Society employees; and

WHEREAS, pursuant to the terms of the Woodland Park Zoo Operations and Management
Agreement, the Superintendent of Parks delivered to Councilmember Steinbrueck on
December 18, 2002, and the Executive transmitted to the Council with this Ordinance,
an Employee Transition Plan recommending that as of December 31, 2004, all current



1 City positions within the Zoo Program be abrogated, and that all remaining City
2 employees assigned to the Woodland Park Zoo be offered the opportunity to either
3 become Zoo Society employees or be transferred to other positions within the
Department of Parks and Recreation under certain conditions; and

4 WHEREAS, allowing the remaining 28 City employees assigned to the Woodland Park Zoo
5 who become Zoo Society employees to withdraw certain amounts from the Seattle City
6 Employees' Retirement System is consistent with the Woodland Park Zoo Operations
and Management Agreement and the Employee Transition Plan; and

7 WHEREAS, the actuary for the City issued a written opinion concluding that the effect on the
8 Seattle City Employees' Retirement System of withdrawals by city employees assigned
9 to the Zoo, consistent with the terms set forth in Ordinance 120921, would be
substantially neutral and would not adversely affect the Plan's funding;

10 NOW THEREFORE

11 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

12 Section 1. Authorization to Amend Employee Transition Agreement. The
13 Superintendent of the Department of Parks and Recreation ("Superintendent") is hereby
14 authorized, for and on behalf of the City, to enter into an amendment to the Employee Transition
15 Agreement (hereinafter "First Amendment to the Employee Transition Agreement") in
16 substantially the form attached hereto as Exhibit 1. Sections 2 and 3 of this Ordinance shall not
17 take effect until the First Amendment to the Employee Transition Agreement is executed by the
18 City and the Woodland Park Zoo Society (the "Zoo Society").

19 Section 2. Employee Waiver of Right to Receive Cash-out of Sick Leave and Vacation
20 Leave Balances. Any City employee who has a regular appointment to a position at the
21 Woodland Park Zoo as shown on the Department of Parks and Recreation 2003-2004 Position
22 List attached hereto as Exhibit 3 who separates from City employment before December 31,
23 2004 and becomes an employee of the Zoo Society, and who signs the legally necessary
24 instructions to the City by his or her separation date, may waive his or her right to receive cash-
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1 out of accumulated and unused sick leave and vacation balances as provided for by Seattle
2 Municipal Code Sections 4.24.210 and 4.34.065, respectively, or by any applicable collective
3 bargaining agreement.

4 Section 3. Termination of City Responsibility upon Transfer of Sick Leave and
5 Vacation Balance. The City shall have no further responsibility or duty to such former
6 employee regarding the terms and/or conditions of such employee's use of and access to
7 transferred sick leave and vacation balances.
8

9 Section 4. Section 4.36.199 of the Seattle Municipal Code shall be amended as follows:

10 **4.36.199 Zoo employees transitioning to Woodland Park Zoological Society**
11 **employment.**
12

13 A. Authority. Notwithstanding any other provision of this Chapter 4.36, a
14 member separating from City employment with the Department of Parks and Recreation,
15 Zoo Program, pursuant to ~~((the)) ((e))~~ Ordinance 120922 ~~((introduced as Council Bill~~
16 ~~114313))~~ or the ordinance introduced as Council Bill 114522, shall be eligible for
17 those benefits to which he or she is entitled under the provisions of this chapter, or, in
18 lieu of such benefits, such member may elect to take the lump sum payout as provided in
19 this section. If such member elects to take the lump sum payout as provided herein, he
20 or she must make written application therefor. If all of the conditions set forth herein are
21 met, the Board of Administration shall, consistent with its rules and procedures, provide
22 the member with a lump sum payout equal to the member's accumulated contributions
23 plus interest calculated at 5.75% per annum, plus an additional amount (approximating
24 the City's contributions on behalf of that member) equal to the member's accumulated
25 contributions plus interest calculated at 5.75% per annum. The member may elect to
26 have the payment made directly to a specified eligible retirement plan pursuant to
27 Section 4.36.193.
28



1 B. Conditions and Application. For members electing to separate from City
2 employment pursuant to the Separation Incentive Program established by Ordinance
3 120922, ((F))the member's application shall be filed with the Board of Administration
4 no later than December 3, 2002. For members electing to separate from City
5 employment pursuant to the ordinance introduced as Council Bill _____,
6 the member's application shall be filed with the Board of Administration no later than
7 January 31, 2005. All applications shall be ((and)) accompanied by proof that the
8 member has irrevocably elected to separate from City employment either under the terms
9 of the Separation Incentive Program -- Zoo Program established pursuant to ((the))
10 ((e))Ordinance ((introduced as Council Bill 114313)) 120922, or pursuant to the
11 ordinance introduced as Council Bill _____ with proof that the member has
12 become an employee of the Zoo Society.

13 Section 5. Memorandum of Understanding. The Mayor is hereby authorized, for and on
14 behalf of, the City to execute the Memorandum of Understanding by and between the City of
15 Seattle and Identified Signatory Unions in substantially the form attached hereto as Exhibit 2.

16 Section 6. Abrogation of City Positions. Any City position at the Woodland Park Zoo
17 as shown on the Department of Parks and Recreation 2003-2004 Position List attached hereto as
18 Exhibit 3 that is vacant on or after the effective date of this ordinance is hereby abrogated as a
19 City position effective on the date of its becoming vacant, or on December 31, 2004, whichever
20 is sooner.

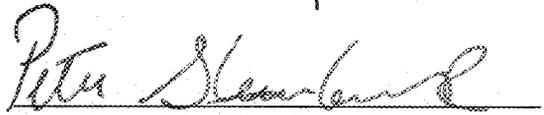
21 Section 7. Ratification of Prior Acts. Any act consistent with the authority and prior to
22 the effective date of this ordinance is hereby ratified and confirmed.

23 Section 8. Section Headings. Section headings in this ordinance are used for
24 convenience only and shall not constitute a substantive portion of this ordinance.

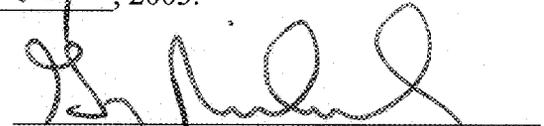
25 Section 9. This ordinance shall take effect and be in full force thirty (30) days from and
26 after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10)
27 days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.
28



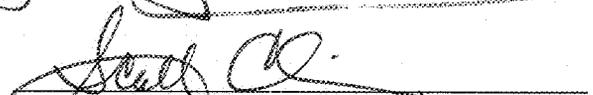
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3 Passed by the City Council the 21st day of April, 2003, and signed by me
4 in open session in authentication of its passage this 21st day of April, 2003.

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6 
7 President of the City Council

8 Approved by me this 2 day of May, 2003.

9
10 
11 Gregory J. Nickels, Mayor

12 Filed by me this 2nd day of May, 2003.

13
14 
15 City Clerk

16 (Seal)

- 17 Exhibit 1: First Amendment to the Employee Transition Agreement
18 Exhibit 2: Woodland Park Zoo Memorandum of Understanding
19 Exhibit 3: Department of Parks and Recreation 2003-2004 Zoo Position List
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FIRST AMENDMENT TO EMPLOYEE TRANSITION AGREEMENT

This First Amendment ("First Amendment") to the Employee Transition Agreement dated November 25, 2002 is entered into between the CITY OF SEATTLE, a Washington first class city ("City"), acting through its DEPARTMENT OF PARKS AND RECREATION ("Parks Department"), and the WOODLAND PARK ZOOLOGICAL SOCIETY, a Washington non-profit corporation ("WPZS") as of this ____ day of _____, 2003.

RECITALS:

WHEREAS, City of Seattle Ordinance 120697 authorized the execution of the Woodland Park Zoo Operations and Management Agreement ("Operations and Management Agreement") between the City and WPZS; and

WHEREAS, pursuant to such Operations and Management Agreement, which became effective on March 1, 2002, WPZS has assumed operational and managerial responsibility for the Woodland Park Zoo ("Zoo") over a renewable twenty-year period; and

WHEREAS, Article 18 of the Operations and Management Agreement contemplates that WPZS and the Parks Department will develop an employee transition plan setting forth the terms and conditions for the transition of City employees at the Zoo to WPZS employment; and

WHEREAS Article 18 expresses the City's intent to provide for the carryover of certain benefits, including vacation and sick leave, for those employees who move from City to WPZS employment and City payments therefore; and

WHEREAS, Article 18 further expresses the City's intent to recognize City pension benefits and to undertake the financial transactions necessary to support a transfer of the value of those benefits for those employees who transition from City to WPZS employment; and

WHEREAS, the City of Seattle, pursuant to Ordinances 120921 and 120922, authorized the implementation of the City Separation Incentive Program ("SIP") to provide eligible City employees at the Zoo a separation incentive payment and the cash-out of unused vacation and sick leave balances and enabled such employees to withdraw certain amounts from the City Employees' Retirement System; and

WHEREAS, the Operations and Management Agreement was amended by the Employee Transition Agreement on November 25, 2002 as authorized by Ordinance 120922; and

WHEREAS, the Employee Transition Agreement is also sometimes referred to as "Addendum 1" to the Operations and Management Agreement; and

WHEREAS, the Employee Transition Agreement has helped implement the SIP; and

WHEREAS, twenty-eight (28) City employees at the Zoo chose not to participate in the SIP; and



WHEREAS, the City intends that any of the twenty eight employees who transition by December 31, 2004 have the option of participating in the sick leave, vacation and pension provisions of the employee transition plan contemplated by the Operations and Management Agreement,

NOW, THEREFORE, in consideration of the mutual promises and undertakings hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT:

1. Definitions. As used in this First Amendment, the following terms shall have the following meanings:

The following definition is added to the Employee Transition Agreement:

1.5 "Separation Incentive Program" or "SIP" shall mean the program established pursuant to Ordinances 120921 and 120922.

2. Definition 1.4, "Qualified Employee," of the Employee Transition Agreement is amended in its entirety to read as follows:

1.4 "Qualified Employees" are defined as City employees whose positions are identified in the City's Parks and Recreation position listing in the 2002 Adopted City of Seattle Budget and designated in the Zoo Program of that Budget and who:

(a) Are employed by the City at the Zoo as of the effective date of this Agreement,

(b) Leave City employment pursuant to the Zoo Separation Incentive Program no later than December 3, 2002,

(c) Become employees of the WPZS within ten days of leaving City employment, and

(d) Prior to or upon leaving City employment, Waive their rights to receive cash-out of accumulated and unused sick leave and vacation balances as provided for by Seattle Municipal Code Sections 4.24.210 and 4.34.065, respectively, or by any applicable collective bargaining agreement.

AND, are also defined as City employees whose positions are identified in the City's Parks and Recreation position listing in the 2003-4 Adopted City of Seattle Budget and designated in the Zoo Program of that Budget and who:

(a) Are employed by the City at the Zoo as of the effective date of this First Amendment to the Employee Transition Agreement,

(b) Leave City employment pursuant to the Employee Transition Agreement no later than December 31, 2004,



(c) Become employees of the WPZS within ten days of leaving City employment, and

(d) Prior to or upon leaving City employment, Waive their rights to receive cash-out of accumulated and unused sick leave and vacation balances as provided for by Seattle Municipal Code Sections 4.24.210 and 4.34.065, respectively, or by any applicable collective bargaining agreement.

3. No Further Amendment. Except as otherwise modified or amended by this First Amendment, all of the terms and conditions of the Employee Transition Agreement remain unchanged.

DATED this ___ day of _____, 2003.

CITY OF SEATTLE, WASHINGTON, a Washington municipal corporation

By _____
Its Superintendent of Parks and Recreation
By authority of Ordinance No. _____

WOODLAND PARK ZOOLOGICAL SOCIETY, a Washington non-profit corporation

By _____
Its _____



Woodland Park Zoo Memorandum of Understanding

SUPERVISION OF CITY ZOO EMPLOYEES

This Memorandum of Understanding describes the agreement of the parties regarding the supervision of represented zoo employees who remain City of Seattle employees (hereinafter "employees") pursuant to the Employee Transition Plan adopted by the City as part of the Ordinance authorizing this Memorandum of Understanding and hereby amends the terms of any collective bargaining agreement that, absent this Memorandum of Understanding, would be applicable to said employees as follows:

- A. The Zoo Director is hereby designated as the "appointing authority" and "hiring authority" for all employees during their term of employment as City employees at the zoo.
- B. The Zoo Director will coordinate a response with the City of Seattle Personnel Department's Labor Relations Division regarding all step three grievances emanating from any collective bargaining agreement applicable to a respective employee(s).
- C. All human resources responsibilities applicable to employees are hereby delegated to the Zoo Society, recognizing that the Zoo Society will coordinate directly with the City of Seattle Personnel Department with respect to said responsibilities.
- D. The City of Seattle Parks and Recreation Department's Human Resources Unit shall provide payroll, and such support as may be requested by the Zoo Society.
- E. This Memorandum of Understanding may be amended to the extent authorized by law upon agreement by the signatories and concurrence by the Mayor and City Council.
- F. This Memorandum of Understanding shall be effective as of the effective date of the authorizing Ordinance enacted to establish it and shall remain in full force and effect until such time as no represented zoo employees are City of Seattle employees, when it shall expire.

Signed this _____ day of _____, 2003.



THE CITY OF SEATTLE

Gregory J. Nickels
Mayor

SIGNATORY UNIONS

Diana Douglas, Union Representative
I.F.P.T.E., Local 17

John L. Masterjohn
Joint Crafts Council, President
P.S.I.E., Local 1239, Business Manager

, Business Representative

Gregg Slaughter, Business Representative
Teamsters, Local 117

, Business Representative

, Business Representative



Department of Parks and Recreation
2003-2004 Zoo Position List

City Positions at the Woodland Park
Zoo

BUD ORG	JOB TITLE	POSITION NUMBER	Full Time Equivalent
K1810	Actg Tech III-BU	00009777	1
K1820	Admin Spec II-BU	00024040	1
K1820	Veterinary Tech	00018414	1
K1820	Zoo Keeper	00019311	1
K1820	Zoo Keeper	00009947	1
K1820	Zoo Keeper	00024396	1
K1820	Zoo Keeper	00023025	0.5
K1820	Zoo Keeper	00019310	1
K1820	Zoo Keeper	00009937	1
K1820	Zoo Keeper	00023698	0.69
K1820	Zoo Keeper	00009919	1
K1820	Zoo Keeper	00019313	1
K1820	Zoo Keeper	00009932	1
K1820	Zoo Keeper	00009948	1
K1820	Zoo Keeper	00023927	1
K1820	Zoo Keeper, Sr	00019304	1
K1830	Constr&Maint Equip Op	00019291	1
K1830	Gardener	00023931	1
K1830	Gardener	00022235	1
K1830	Laborer	00024386	1
K1830	Laborer	00009907	1
K1830	Laborer	00010094	1
K1830	Laborer	00022500	1
K1830	Maint Laborer	00010050	1
K1830	Maint Laborer	00017336	1
K1880	Exhibits Tech	00023060	0.5
K1880	Pntr	00019810	1
K1880	Visitor Astnce Coord	00019791	1



Fiscal Note: Employee Transition Plan for Zoo Employees

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

Legislation Title:

AN ORDINANCE relating to the Department of Parks and Recreation, Zoo Program; providing for various matters that will allow a smooth transition from Zoo employment of the remaining twenty-eight (28) City employees holding positions within the Department of Parks and Recreation, Zoo Program; providing for waivers of cash payments for accumulated sick leave and vacation balances for such employees who choose to transfer to Zoo Society employment; authorizing an amendment to the Woodland Park Zoo Operations and Management Agreement; amending SMC 4.36.199 and authorizing the withdrawal of certain amounts from the Seattle City Employees' Retirement System for such employees who choose to transfer to Zoo Society employment; authorizing and ratifying a Memorandum of Understanding between the City and the bargaining representatives of the employees of the Department of Parks and Recreation, Zoo Program; and abrogating all remaining positions within the Department of Parks and Recreation, Zoo Program, as such positions become vacant or by December 31, 2004, whichever is sooner.

Summary of the Legislation:

The purpose of this legislation is to enact the provisions of the Employee Transition Plan for Zoo Employees and to extend the retirement, sick leave and vacation provisions contemplated in the Operations and Management Agreement between the City and the Woodland Park Zoo Society and to set a date by which the City will no longer employ people who work at the Woodland Park Zoo. All of these actions support and contribute to the implementation of the Employee Transition Plan.

Appropriations (in \$1,000's): Not applicable.

Fund Name and Number	Department	Budget Control Level*	2003 Appropriation	2004 Anticipated Appropriation
NA				
TOTAL				

** This is line of business for operating budgets, and program or project for capital improvements*

Notes:



Expenditures (in \$1,000's): Not applicable.

Fund Name and Number	Department	Budget Control Level*	2003 Expenditures	2004 Anticipated Expenditures
NA				
TOTAL				

** This is line of business for operating budgets, and program or project for capital improvements*

Notes:

Anticipated Revenue/Reimbursement (in \$1,000's): Not applicable.

Fund Name and Number	Department	Revenue Source	2003 Revenue	2004 Revenue
NA				
TOTAL				

Notes:

Total Permanent Positions Created Or Abrogated Through Legislation, Including FTE Impact; Estimated FTE Impact for Temporary Positions:

Fund Name and Number	Department	Position Title*	2003 FTE	2004 FTE
	Parks and Recreation			28
TOTAL				28*

* See attached position list (Exhibit 3 to Ordinance)

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

Yes. The last date for positions at the Zoo will be December 31, 2004.

Background (Include brief description which states the purpose and context of legislation and include record of previous legislation and funding history, if applicable):

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. Subsequently the City Council adopted the Separation Incentive Program-Zoo that established the basis for employees to transfer sick leave and vacation balances to the Zoo Society and to transfer their retirement balances based on an actuarial evaluation of the City's retirement reserves. The



legislation adopting these provisions are contained in Ordinance 120921 and Ordinance 120922 respectively. This legislation also takes into account the legislation adopted by the City Council with the Adopted 2003 Budget (Ordinance 121001) that sunsets positions at the Zoo as they become vacant. At this time, 28 positions remain City positions at the Zoo.

The financial cost of not implementing the legislation (Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs if the legislation is not implemented):

The proposed ordinance has no additional fiscal impacts for the City that are not contained and contemplated in the 2003 Adopted/2004 Endorsed Budget. For employees who continue with the City through the transition period, the Zoo Society is responsible for compensating the City for all payroll costs. This is provided for in the Adopted Budget. 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 budgeted these expenses in the 2003 Adopted/2004 Endorsed City Budget.

At the time of the Zoo-SIP, the cost of the retirement withdrawal for all Zoo employees was evaluated by the City Retirement System's actuary who issued an opinion that the impact was essentially neutral to the City. The benefit to the System is that it avoids the future liability to pay pensions to the employees who choose to withdraw contributions.

This proposal has the impact of eliminating the 28 positions that remain at the City for Zoo employees as attrition occurs or at the final transition date. These position reductions will be reflected in the Adopted 2003 and Endorsed 2004 budgets as employees retire or resign with the 2005 Budget reflecting no City positions assigned to the Zoo.

Possible alternatives to the legislation which could achieve the same or similar objectives (Include any potential alternatives to the proposed legislation, including using an existing facility to fulfill the uses envisioned by the proposed project, adding components to or subtracting components from the total proposed project, contracting with an outside organization to provide the services the proposed project would fill, or other alternatives):

Not applicable.

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

No.

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



Zoo Operations and Management Agreement

Between the City of Seattle and the Woodland Park Zoo Society

Employee Transition Plan December 19, 2002

Purpose

The purpose of the Employee Transition Plan is to outline the terms and conditions for implementing the City's legislative intent to move the Zoo from City management to non-profit management under the Zoological Society consistent with section 18.4 of the Zoo Operations and Management Agreement and subsequent Zoo Separation Incentive legislation. Section 18.4 of the agreement provides for the development of the Employee Transition Plan (ETP). The plan is intended to outline the timeframe and terms for transitioning all current City zoo employees to the Zoological Society and ensure that the transition provides for fair and equitable wages and benefits and the opportunity for union representation for those transitioning Zoo employees currently represented, if they so chose.

Ordinance 120697 approved an agreement between the City and the Woodland Park Zoological Society whereby the Society assumed responsibility for operation and management of the zoo for a renewable twenty-year period. The agreement between the Society and the Department of Parks and Recreation was signed on March 1, 2002. Subsequently the City Council adopted, and the City and the unions agreed on a voluntary Zoo Separation Incentive Program (Zoo-SIP) that provided additional incentives for City zoo employees to either retire or resign from the City. The Zoological Society agreed to immediately hire those employees voluntarily taking advantage of the Zoo-SIP.

Since the Zoo Operations and Management Agreement was signed in March, the Zoo Society has worked hard to implement the provisions of the agreement related to employee transition: The Society has 1) developed a new employee benefit package that parallels City benefits 2) implemented a new employee health plan, 3) implemented a new pension plan 3) Revised its personnel policies in consultation with Parks Human Resources 4) met regularly with representatives of labor 5)



worked with the City to develop the Zoo-Separation Incentive Program to provide incentives for transitioning City employees 6) conducted dozens of briefings and information sessions and prepared Q&A sheets and comparisons for employees on the above mentioned benefits, and 7) provided opportunities for all City zoo employees to meet in one-on-one sessions with retirement experts to discuss their individual situations.

Zoo Separation Incentive Program Provisions

The Zoo-SIP for City employees transferring in 2002 included the following provisions:

- A one-time incentive payment equal to eight weeks of pay based on the employees then current salary to be paid for by the Zoological Society
- Option to have City Vacation Balances credited to the Zoo Society
- Option to have City Sick Leave Balances credited to the Zoo Society
- Option to have employee and City retirement contributions credited to another pension plan, or the Zoo Society's plan
- Transitioning City service years are credited by the Zoo Society's HR system
- Required that employees leave City service by December 3, 2002
- 115 employees retired or resigned through this program

Provisions for Employees transitioning after December 4, 2002

This Employee Transition Plan contains policies and provisions for those City zoo employees who transition to the Zoo Society between December 4, 2002 and December 31st 2004. These provisions include:

- Option to have City Vacation Balances Credited (Identical to Zoo-SIP)
- Option to have Sick Leave Balances Credited (Identical to Zoo-SIP)
- Option to have City Retirement Contributions Credited (Identical to Zoo-SIP).
- City service years as of December 4th 2002 will be credited by the Zoo Society's HR system (Identical to Zoo-SIP)

Benefits provided to all Zoo Society employees

All employees transitioning to the Zoological Society employment now or in the future shall have employee medical, dental, retirement and other benefits. These benefits are outlined in the following summary, which compares City and Zoo Society benefits.



BENEFITS COMPARISON

This summary was distributed to all employees on 10/08/02. (NOTE: Service credit earned with the City will transfer to the Zoo Society for purposes of administering benefits.)

CATEGORY	Leave Benefits Comparison	
	WPZS	CITY
Vacation Leave	Vacation accrues from the 1st day but employee must work 90 days before taking vacation. 1st yr - 12 days 2 thru 4 - 15 days 5 thru 9 - 18 days 10 thru 14 - 20 days 15+ years - 25 days (Transferring City employees who are currently at over 25 days per year accrual rates will maintain that accrual rate.)	Vacation accrues from the 1st day, but employee must work 6 months before taking vacation. 1 st thru 4th - 12 days 5 thru 9 - 15 days 10 thru 14 - 16 days 15 thru 19 - 18 days 20 years - 20 days; thereafter 1 day more for each yr. Max = 30.
Personal Leave	2 days per annual calendar year	2 days per annual calendar year
Executive Leave	Not applicable. All employees receive the same vacation and personal days.	Up to 4 days per year, no carryover.
Vacation Carry Over at year end (Effective December 31, 2003)	Each employee is allowed to carry over a maximum of 240 hours at the end of the calendar year. Vacation hours not used or carried-over are lost. (Balances may exceed 240 hours mid-year.)	Maximum vacation balance is equal to two times the employee's annual accrual rate. Exceptions/three month grace period can be granted.
Holidays	10 holidays per year	10 holidays per year
Sick Leave	1 day earned per month.	1 day earned per month.
Bereavement Leave	Up to 3 days of paid leave	Up to 2 days of paid leave dependent on distance traveled. Up to 4 additional days taken from sick leave balance. Maximum number of leave days allowed is 5 days.
Other Leaves	Jury Duty, Military, FMLA, Maternity Disability, Worker's Compensation, Educational, Time Off to Vote, Witness Duty	Jury Duty, Military, FMLA, Maternity Disability, Workers Compensation, Educational, Time Off to Vote, Witness Duty



	Benefits Comparison	
CATEGORY	WPZS	CITY
Employment Assistance Program	Free to all employees and their family members through Magellan Behavioral Health.	Free to all employees and their family members through Family Services. Includes legal advice.
Long-Term Disability	ZS pays for coverage. Benefits are paid at 60% of employee's salary up to \$6K per month. 180 day waiting period. (Short-term disability coverage for 6 months can be purchased on a voluntary basis.)	Employer pays for "Basic" benefit of \$400 max per month after 90-day waiting period. Additional LTD insurance can be purchased.
Dependent Day Care Reimbursement and Assistance Programs	Depend. Care Flexible Savings Account available (as part of the section 125 plan)	Depend. Care Flexible Savings Account available; TLC provided free; Home Care
Health Care Reimbursement Account	Offered as part of the section 125 plan.	Offered as part of the section 125 plan.
Basic Life Insurance	Benefit equals 2 times annual salary up to \$200K maximum coverage. Accelerated Death Benefit and Accidental Death and Dismemberment included. The ZS will pay the majority of the premiums for this benefit, but will require a \$4/month premium-sharing contribution from each employee towards all Aetna coverage.	Benefit equals 1.5 times annual salary and includes an Accelerated Death Benefit. City pays 40%, Ee pays 60% of premium.
Supplemental (Voluntary) Life Insurance	Will be offered as soon as minimum # of employees exceeded. Employee pays for.	Can be purchased up to 4 times annual salary. Ee pays 100% of premium.
Accidental Death and Dismemberment	Included in the basic life insurance benefit paid for by the ZS (subject to a \$4 monthly premium-sharing for all Aetna coverage).	Employee pays for as a voluntary supplemental benefit.
Health Insurance Carriers (See separate basic benefit comparison)	Regence Selections and Group Health	Two Aetna plans and Group Health
Retirement Plan	Addressed separately	Addressed separately
Payroll Savings Plan (bonds)	No	Yes
Credit Union	Yes- Seattle Metropolitan Credit Union	Yes - Seattle Metropolitan Credit Union
Voluntary Short-Term Disability	Will be offered on a voluntary basis (employee paid) by 1/1	No
Other voluntary insurance coverage	Will be offered on a voluntary basis (employee paid) by 1/1	No



Health Plan Comparison

This past fall the City of Seattle revised its health care benefit based on the bids received from health care providers. Those bids reflected the unsettled state of healthcare nationwide and included a significant increase in cost. The ultimate City health care benefit plan, developed in consultation with Labor, resulted in an increase in premium sharing and co-pays by employees. Simultaneously the Zoological Society, using the same broker as the City, was upgrading its coverage to more closely reflect the choices offered by the City. The Society obviously faced the same cost pressures experienced by the City. In addition the Society was trying to respond to the expressed desire of City employees to add Group Health coverage in addition to Regence, the Society's current provider. Adding this option added cost to the Society's coverage, as did offering spousal and dependent coverage for the first time. The resulting plan offered by the Zoo Society is comparable to the health benefits offered by the City, and includes an employee cost structure and premium share that is similar to the City's for 2003.

RECOMMENDATION: The Zoo Society is still working to obtain "under 65" retiree health care coverage. They have made a formal request to the City that the City offer the City plan to transitioned Zoo Employees. Parks is asking the City Personnel Director to make a recommendation about whether this option is 1) feasible and 2) advisable. A disposition of this question will be included in proposed legislation if the City decides to offer such benefit.

Pension Plan

The section 18.5.3 of zoo operations and management agreement contemplated an opportunity for City zoo employees to transfer to the Zoo Society's retirement plan both their pension plan contributions and the City's contributions in a manner that was neutral for both the employees and the City Retirement System. Subsequent work by the Retirement System actuary and legal counsel determined that allowing employees to transfer their contribution and the City's contribution would not actuarially harm the system. These findings provided the basis for including the opportunity for transitioning employees to roll over both their and the City's pension contributions as part of the Zoo Separation Incentive Program adopted by the City Council on September 16th 2002.

Under the Zoo-SIP employees had a choice to elect to A) retire (if eligible) B) Retire and go to work for the Zoo Society C) Vest in the City Retirement System, resign and go to work for the Zoo Society, D) Resign and transfer both their contribution and the City's contribution to another retirement vehicle(including the Society's) and go to work for the Society. E) Resign and take both contributions as lump sum payment.



Zoo Society Retirement Plan

The Zoo Society spent several months reviewing pension options, including exploring the possibility of creating a defined benefit plan. They held discussions with several labor unions and plan administrators and worked with actuaries but it proved impossible to develop a cost effective plan that provided a defined benefit comparable to the City's pension plan. Efforts then turned to alternative 403b defined contribution plans and an evaluation of the best plans available. After a long RFP process that included both Zoo Society and City zoo staff, Lincoln was selected to be the plan provider based on services available and low fees to employees. A comparison of the Zoo Society and City retirement plans follows:

	City of Seattle	Zoo Society
Type of Plan	401 defined benefit	403(b) defined contribution
Investment Ownership Rights	Property of City	Property of Individual
Retirement Benefits	9.1%-60% of highest 24 months of salary (excluding premium pay) depending on retirement credits (service years). The actual total amount received depends on the length of life of the retiree (and possibly their beneficiaries). Sliding scale for retirement ages.	Vested balance of the individual's account . Individuals decide what they want to do with their lump sum distribution, i.e. transfer it to an IRA account (where they continue earning investment returns) or purchase an annuity, or any combination of such alternatives. There is no Plan-specified retirement age or length of service.
Nature of Employee Contributions	Mandatory 8.03% (pre-tax)	Voluntary (pre-tax) up to 6% of employee's salary
Employer Matching of Employee Contributions	Theoretical 8.03 % (not actual because the benefits are literally pre-defined and not based on contributions. Many pay-out options do not provide employee with this match.)	Employer matches employee contribution up to 6% of gross wages. Match and employee contribution are the property of the employee.
Additional Employer Contribution to all employees	N/A	
Eligibility service requirement	Six months employment	Immediate participation
Entry into plan	One-time election	Anytime
Vesting schedule	5 Year Cliff	Transitioning City employees vest immediately.
Method for Counting Yrs	2,080 hours = 1 yr	1,000 hours minimum during 12 months = 1 year
Investment Earnings	Fixed @ 5.75% for determination of early withdrawals. City's actual investment earnings are not	Varies depending on investment choices. Employees have control to elect from multiple options to meet

	available and not relevant to the defined benefit received.	their individual needs. A "fixed" option with rates similar to CD's is available.
Early Withdrawals (relating to termination of employment)	Currently, only the employee's deferrals plus the fixed earnings on their deferrals can be removed from the plan prior to retirement. (We're requesting authorization for an option of full account roll-over into a Society Plan.)	Vested balance of the account is owned by the individual and can be withdrawn/transferred to another tax-deferred retirement plan.

HR Policy Comparison

Over several months the Zoological Society staff and HR Consultants met with the Department of Parks and Recreation HR staff and developed a line-by-line comparison of the Zoological Society's and the City's personnel and HR policies. That policy comparison and the Zoo Society Personnel Handbook have been provided to all employees.

Date Certain for Final Employee Transition

Employees who so elected already took advantage of the Zoo Separation Incentive Program and become Zoo Society employees as of December 4, 2002.

Between December 4th 2002 and December 31st 2004, any City zoo employee who voluntarily elects to transition to Zoo Society employment may do so. Employees transitioning after December 4th 2002 and before December 31st 2004 will be allowed to transfer their sick leave and vacation balances as of their transition date but not later than December 4, 2002. Similarly, employees will be able to take both the employee and employer share of their City retirement contributions and be credited with their service years as of the transition date but not later than December 4, 2002.

Project Hire

The City will make every effort to place those employees who do not wish to become Zoo Society employees in other Parks or other City positions for which they are qualified, including the "Project Hire" program assistance. The City agrees that employees will be immediately eligible for Project Hire if they are in City positions that will sunset on the effective date for final employee transition.

RECOMMENDATION: All City employees working at the zoo become Zoo Society employees as of December 31st 2004, or are transferred to City positions in the Department of Parks and Recreation. All City Zoo positions are to be abrogated on December 31, 2004. City will extend Project Hire status to City

employees at the Zoo immediately and make every effort to find those who seek City jobs to find City jobs for which they are qualified.

City Sun-setting of Vacant Zoo Positions

With the Adoption of the 2003 Budget, the Council approved legislation to abrogate any City position at the Zoo still listed in the Park Department Budget sunset upon becoming vacant. This includes any positions that are currently vacant. This provision takes effect as of 12/31/02. All positions filled at the zoo since the date of the Zoo Operations and Management Agreement, March 1, 2002, have been filled as Zoo Society positions.

Supervision of Any Employees Who Continue With City until Date Certain

For all zoo employees the Zoo Director will be the appointing authority until December 31st 2004. The Zoo Director will work with Labor Relations on 3rd Step Grievances. All HR Responsibilities will be delegated to the Zoo Society for remaining employees with the Zoo Society HR coordinating directly with City HR. Parks - Human Resources Unit will provide payroll, and support as requested. The legislation implementing this agreement will include a MOU with the affected bargaining unit representatives that conforms to the Operations and Management Agreement by formally assigning the 'hiring authority' role to the Zoo Director under current labor contracts.

New Collective Bargaining Agreement—Zoo Society Employees

The Zoological Society's intent is to bargain in good faith with any union representing zoo employees who transition to Zoo Society to the degree allowed under law and the rules of the National Labor Relations Board. This intent is codified in the legislation that authorized the Zoo Operations and Management Agreement. It has been the Society's position since the beginning of discussion with labor representatives about non-profit management and was reiterated in the August 28, 2002 letter from Bill Lewis, Chair of the Zoo Society's Ad Hoc Transition Task Force to the labor representatives.

The August 28 letter states; "If a substantial number of City bargaining unit members take advantage of the SIP and a subsequent offer of Zoo Society employment, the Zoo Society would expedite recognition of the unions for purposes of bargaining and begin bargaining a Zoo Society Collective Bargaining Agreement to the extent allowable by law and the NLRA."

In the interim period as a new collective bargaining agreement is being negotiated the Zoo Society will follow, where possible, the spirit of the current CBA for currently represented employees who transfer to the Zoo Society until December 31st 2004 or a new CBA is negotiated with the Zoo Society.

LIST OF DATES IN CHRONO ORDER

1. Council Bill number: 113990
Ordinance number: 120697
Date of Mayor's signature: December 20, 2001

AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the Superintendent of Parks and Recreation to enter an agreement with the WPZS for operation and management of the WPZ.

2. **WPZ OPERATIONS AND MANAGEMENT AGREEMENT**
Date signed: March 1, 2002

3. Council Bill Number: 114311
Ordinance Number: 120921
Date of Mayor's signature: September 23, 2002

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.

4. Council Bill number: 114313
Ordinance number: 120922
Date of Mayor's signature: September 23, 2002

AN ORDINANCE relating to employees of the Department of Parks and Recreation, Zoo Program; establishing an incentive program for eligible employees of the Department of Parks and Recreation, Zoo Program; authorizing an agreement with the WPZS ("Zoo Society") concerning the transfer of sick leave and vacation balances for departing zoo employees; providing for employee waivers of cash payments for accumulated and unused sick and vacation leave balances; amending SMC 4.36.120D to extend a temporary service credit purchase to participants of this incentive program; and authorizing and ratifying a memorandum of understanding between the City and the bargaining representatives of the employees of the Department of Parks and Recreation, Zoo Program.

5. **Employee Transition Agreement**
Date signed: November 25, 2002

6. Council Bill number: 114388
Ordinance number: 121001
Date of Mayor's signature: November 26, 2002

AN ORDINANCE relating to City of Seattle position of employment, abrogating each Department of Parks and Recreation position assigned to the WPZ that is vacant on or after December 31, 2002.

7. Ordinance number: 120697
Zoo Employee Transition Plan
Letter from Ken to Council President Steinbrueck
Date of letter: December 18, 2002





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file

SEATTLE PARKS & RECREATION
SUPERINTENDENT

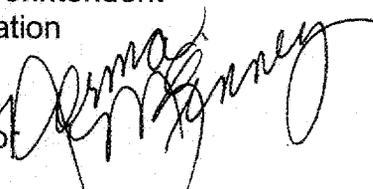
JAN 17 2003

CITY OF SEATTLE
Personnel Department
Norma McKinney, Personnel Director

MEMORANDUM

DATE: January 15, 2003

TO: Ken Bounds, Superintendent
Parks and Recreation

FROM: Norma McKinney, Personnel Director 

SUBJECT: Retiree Health Care for Transitioning Zoo Employees

I have carefully considered your request to modify the Employee Transition Plan by allowing any employee, who could have been eligible for City retiree medical coverage, to retain the right to purchase coverage under the City's retiree plan upon retirement on or before December 31, 2007. Your statements supporting this change for Zoo employees are reasonable; however, when looking at this issue from a citywide perspective and the precedent this action would set, I have concluded that I cannot approve your request. My decision is based on the following reasons:

- Your December 17, 2002 memorandum states that you estimate "the universe of eligible people who would be extended this benefit is relatively small." While this may be true for the Zoo transition, by allowing this option, in my opinion, an argument will be made in the future that the City should be obligated to offer the same consideration to transitioning City employees when any department division or line of business (such as the Aquarium) might become a separate public or private entity. Extending the retiree medical benefit to future transitioning City employees is an unknown, but potentially costly, future liability.
- The City recently went through a significant layoff process whereby a number of employees were involuntarily separated from City service resulting in conditions considerably less beneficial for them than is the case with the Zoo employees in question. Some of these laid off employees may possibly take City retirement by December 31, 2007 (the date proposed as the cutoff for the Zoo employees' access to retiree health care), but will not have the requested benefit. If the requested benefit were provided as requested, I cannot identify rationale for not also considering extending this benefit to this group of employees who are in circumstances much less beneficial than the Zoo employees.



Another equity concern (if this request were granted) is potentially creating different benefits for the 24 employees in question and other Zoo Society employees who retire in the future and may have a substantially different retiree health care benefit.

- The transitioned Zoo employees were provided *significant* consideration by the Zoo Society and the City under the Employee Transition Plan. Transfer of retirement funds (both the employees' and City's contributions); guaranteed employment under nearly identical terms and conditions of employment; eight weeks of compensation just for making the transition; a guarantee that the City would seek placement as City employees elsewhere in the system up to December 31, 2004 for any employee who did not wish to ultimately make the transition; a guarantee that the employees could be unionized as Zoo Society employees under a voluntary recognition approach by a majority showing; all were part of the accommodations made to these employees. The 24 employees made a known choice not to participate for personal reasons.

The City's decision not to agree to this last condition does not seem unreasonable given the potential problems that extending such a benefit might create in the future. Additionally, the City's current crisis in the health care arena is considerable and the prospects for the future are not positive. Any City action that has the potential to exacerbate this already serious situation seems imprudent when the City is in the process of examining all reasonable means to mitigate that crisis.

I hope you understand the rationale behind my decision not to agree with your request because I believe this precedent-setting action must be viewed from a citywide and potential liability perspective and not just as a benefit for 24 Parks and Recreation Department employees.

Cc: Mike Schoeppach
Deborah Jensen
John Masterjohn
Greg Slaughter
Diana Douglas





City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

March 31, 2003

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

Dear Council President Steinbrueck:

The attached ordinance authorizes implementation of the provisions of the Zoo Employee Transition Plan that require legislation. The Zoo Employee Transition Plan is attached to this letter.

This ordinance does five things: 1) it extends the provisions for sick leave and vacation transfer or cash out for transitioning Zoo employees; 2) it provides for employees who transition to Zoo Society employment to receive retirement benefits identical to those provided for Zoo employees who chose to separate from the City under the Zoo Separation Incentive Program; 3) it authorizes December 31, 2004 as the date by which City will abrogate City positions at the Woodland Park Zoo and lists the positions to be abrogated; 4) it authorizes a Memorandum of Understanding with Labor that recognizes the CEO of the Zoo as the hiring authority under the City labor contracts for City employees who remain at the Zoo until their positions are abrogated; and 5) it authorizes the Superintendent of Parks and Recreation to execute the First Amendment to the Employee Transition Agreement to require to the Zoo Society to recognize and credit vacation and sick leave balances for transitioning employees and to implement other elements of the Employee Transition Plan.

City staff, representatives from the Zoo Society and representatives from City labor unions representing Zoo employees have discussed the Employee Transition Plan. Though these discussions have been productive, it is important for Council to know that labor representatives disagree with two aspects of this proposed plan: 1) the December 31, 2004 date for abrogating City positions; and 2) the absence of the City's extension of our "Under Age 65" medical benefits plan to transitioning employees. I have attached a memorandum from Personnel Director Norma McKinney which explains why changing those provisions would be inadvisable. Her letter is also attached for Council's consideration.

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

Sincerely,

GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

600 Fourth Avenue, 12th Floor, Seattle, WA 98104-1873

Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, E:mail: mayors.office@ci.seattle.wa.us

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STATE OF WASHINGTON - KING COUNTY

--SS.

158138
City of Seattle, Clerk's Office

No. TITLE ONLY ORDINANCE

Affidavit of Publication

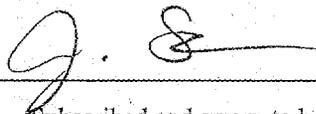
The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published 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

CTOT:ORDINANCE 121124-28

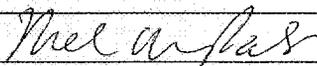
was published on

5/7/2003



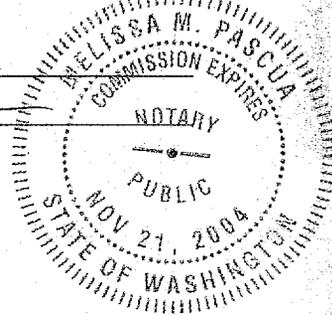
Subscribed and sworn to before me on

5/7/2003



Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication



State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on April 21, 2003, and published here by title only, will be mailed upon request, or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 121124

AN ORDINANCE amending the 2002 Budget; increasing appropriations for a department in the 2002 Budget; all by a three-fourths vote of the City Council.

ORDINANCE NO. 121125

AN ORDINANCE relating to the Department of Parks and Recreation, Zoo Program; providing for various matters that will allow a smooth transition from Zoo employment of the remaining twenty-eight (28) City employees holding positions within the Department of Parks and Recreation, Zoo Program; providing for waivers of cash payments for accumulated sick leave and vacation balances for such employees who choose to transfer to Zoo Society employment; authorizing an amendment to the Employees Transition Agreement; amending SMC 4.36.199 and authorizing the withdrawal of certain amounts from the Seattle City Employees' Retirement System for such employees who choose to transfer to Zoo Society employment; authorizing and ratifying a Memorandum of Understanding between the City and the bargaining representatives of the employees of the Department of Parks and Recreation, Zoo Program; and abrogating all remaining positions within the Department of Parks and Recreation, Zoo Program, as such positions become vacant on or by December 31, 2003, whichever is sooner.

ORDINANCE NO. 121126

AN ORDINANCE relating to the 2003 Budget; carrying forward certain unexpended appropriations from the 2002 budget of various departments and funds for both capital and non-capital purposes; all by a three-fourths vote of the City Council.

ORDINANCE NO. 121127

AN ORDINANCE relating to the City's Adopted 2003-2008 Capital Improvement Program; abandoning certain unspent appropriations.

ORDINANCE NO. 121128

AN ORDINANCE relating to the Fire Department; accepting funds from non-City sources; increasing the appropriation in the 2003 budget of the Fire Department and the Department of Information Technology; and creating positions in the Fire Department; all by a three-fourths vote of the City Council.

ORDINANCE NO. 121129

AN ORDINANCE related to Cable Communications; authorizing an agreement to establish a cable subscriber service center at the City's Department of Neighborhoods facility at 23rd Avenue S. and S. Jackson Street; increasing an appropriation in the 2003 Department of Neighborhoods budget; and creating new positions in that department; all by a three-fourths vote of the City Council.

ORDINANCE NO. 121132

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

Publication ordered by JUDITH PIPPIN, City Clerk.

Date of publication in the Seattle Daily Journal of Commerce, May 7, 2003.