



**Request for City Council Committee Action
From the Fire Department**

Date: October 4, 2004

To: Council Member Barbara Johnson, Ways & Means/Budget
Committee

Referral to: None

Subject

Incentive for all sworn MFD employees with twenty or more years of service to the City of Minneapolis by March 31, 2006.

Recommendation

Approve the attached ordinance for a two year retirement incentive plan as outlined in this report.

Previous Directives

None.

Prepared or Submitted by: Jim Clack, Assistant Chief MFD x2686

Approved by: _____
Bonnie Bleskachek
Fire Chief MFD

Presenters in Committee: Jim Clack, Assistant Chief MFD

<p>Financial Impact (Check those that apply)</p> <p><input checked="" type="checkbox"/> Action is within current department budget. (If checked, go directly to Background/Supporting Information)</p> <p><input type="checkbox"/> Action requires an appropriation increase to the Capital Budget</p> <p><input type="checkbox"/> Action requires an appropriation increase to the Operating Budget</p> <p><input type="checkbox"/> Action provides increased revenue for appropriation increase</p> <p><input type="checkbox"/> Action requires use of contingency or reserves</p> <p><input type="checkbox"/> Other financial impact (Explain):</p> <p><input type="checkbox"/> Request provided to the Budget Office when provided to the Committee Coordinator</p>
--

Background/Supporting Information Attached

The Minneapolis Fire Department (MFD) proposes a retirement incentive program for sworn MFD employees who have at least twenty years of service to the City of Minneapolis. The public purpose of this program is to reduce budgets by reducing salaries and facilitate workforce restructuring in the department. This program substantially mirrors the retirement incentive program brought forward by the Police Department and approved by this Committee on September 20, 2004.

Program Description

The incentive program would provide eligible employees with contributions into the employee's health care savings account plus payment of health care premiums. To be eligible, an employee must:

- Be employed by the City of Minneapolis during the election period (see below);
- Be a sworn member of the department;
- Have years of service to the City of Minneapolis equal to or greater than twenty, measured at the date of separation.

Approximately sixty employees meet these criteria and would be eligible to participate in the program.

2005 Plan

Between November 1, 2004 and December 1, 2004, an eligible participating employee who elects to retire prior to March 31, 2005 would receive:

1. A lump-sum payment of \$15,000.00 deposited into the employee's health care savings account.
2. Continuation of the City's contributions to the employee's City-sponsored health care coverage plan insurance premium for 36 consecutive months with considerations for increased costs.

2006 Plan

Between November 1, 2005 and December 1, 2005, an eligible participating employee who elects to retire prior to March 31, 2006 would receive:

1. A lump-sum payment of \$15,000.00 deposited into the employee's health care savings account.
2. Continuation of the City's contributions to the employee's City-sponsored health care coverage plan insurance premium for 24 consecutive months with considerations for increased costs.

Under all of the above options, employees would also receive payments for unused sick leave and vacation time according to their applicable union contracts or Minneapolis ordinances. Employees who separate employment under the terms of this section are

ineligible for future employment with a City of Minneapolis department under council jurisdiction.

The Minneapolis Fire Department's intention is to provide information to all eligible employees once the program is approved. Each interested eligible employee would receive a participation form. Employees must submit their participation forms no later than December 1, 2004 to participate in the 2005 plan and December 1, 2005 to participate in the 2006 plan. Employees would have five additional days from the date of their last day of work to withdraw their resignation according to Civil Service Rule 13.03.

The department's goal is to acquire ten retirements in 2005 and ten in 2006. Salary savings will cover the full cost of this program. Retirements will be funded from the Fire Department's operating budget.