



CITY OF LAKEPORT
Side Letter Agreement with Unrepresented Employees
Compensation and Benefits Program Adopted September 7, 2021

Adopted 10/19/2021

CITY OF LAKEPORT
Side Letter Agreement with Unrepresented Employees
Compensation and Benefits Program Adopted September 7, 2021
Regarding Voluntary Separation Program

The purpose of this Voluntary Separation Program (referred to herein as “Program”) is to provide an incentive for eligible employees to separate from employment in order to generate salary and benefit savings within the City's budget in response to the City’s long-term forecasted fiscal losses. With anticipated operating expenses out-pacing projected general fund revenues, the city is committed to consider any mechanism for reducing costs over the next decade. Participation in this program is completely voluntary.

Requests to participate in this Program will be reviewed and granted by City Council. The program is only open to unrepresented management employees, who constitute the highest paid employees, and therefore the biggest savings to the City.

This Program is not an entitlement or benefit, but rather is intended to provide cost saving to the City.

1. Program Description.

a. Participants in this Program will receive a one-time lump sum payment equivalent to six (6) weeks of base salary as an incentive to voluntarily separate. The participants may separate by either resignation or retirement. The one-time lump sum payment will not contribute toward pensionable earnings, and shall not otherwise be deemed as final compensation for retirement calculation purposes. All necessary taxes will be withheld.

b. Participants in this Program will receive one year of additional service credit towards retiree medical benefits under section 4.2.2 of the Compensation and Benefits Program adopted on September 7, 2021.

2. Eligibility.

Employees must be full-time Unrepresented Management Employees, and must not have submitted notice of resignation or retirement prior to the Program offer.

3. Conditions.

a. Effective date of separation shall be November 5, 2021 or sooner, unless extended by the City Council based on the best interest of the City.

b. Each employee is responsible for consulting their own financial planner, tax advisor and/or attorney as to potential tax consequences of choices of separation payment methods.

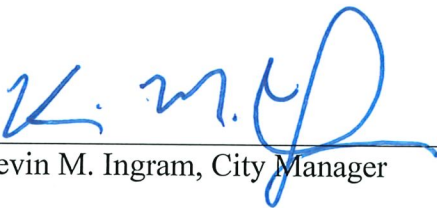
c. Medical and dental insurance for accepted applicants will end the last day of the month in which they separate. Accepted applicants will be offered COBRA or Retiree Health Insurance pursuant to Compensation and Benefits Program adopted on September 7, 2021. Accepted applicants will not be eligible to receive California State Unemployment Insurance Benefits.

- d. Participants must sign a Separation Agreement that contains a release of all employment rights and claims.
- e. The City Council may deny the Employee's request if it can be determined that it would not constitute a financial savings to the City.
- f. The City Council reserves the right to amend or terminate the program at any time.

Dated: October 19, 2021

CITY OF LAKEPORT

LAKEPORT UNREPRESENTED EMPLOYEES



Kevin M. Ingram, City Manager



Brad Rasmussen, UE Representative



Paul Harris, UE Representative

