



# City of Columbus

Office of City Clerk  
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## Legislation Text

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**File #: 0241-2010, Version: 1**

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In light of the extraordinary challenges facing the City of Columbus' 2009 general fund budget, City Council passed legislation Ordinance No. 1622-2008 on October 27, 2008. This legislation authorized the Human Resources Department to enter into contract with Educators Preferred Corporation (EPC) to design and implement a one-time voluntary employee severance plan.

Sixty-five (65) city employees elected to participate in the plan resulting in a cost savings to the City of approximately \$3.3 million in 2009. Plan participants received either a one-time lump sum payment or incremental payments for a period of up to 5 years (depending on age).

As a component of the plan implementation process EPC utilized Metropolitan Life Insurance Company (MetLife) to secure monthly payments to participants and establish a severance plan "Funding Account" from which payments and appropriate withholdings are made for plan participants. On March 9, 2009 City Council passed Ordinance No. 0294-2009 which, among other things, authorized the Human Resources Department to establish the city's funding account into which these payments and appropriate withholdings are made for the severance plan participants. As a result, in 2009, the Human Resources Department made the first of three payments to EPC, totaling \$1,657,875.89.

This ordinance authorizes the expenditure of \$515,000.00, or so much thereof as may be necessary, from the Human Resources Department General Fund in order that payments may be made through the second year of the plan.

This ordinance is submitted as an emergency so as to allow the financial transaction to be posted in the City's accounting system as soon as possible. Up to date financial posting promotes accurate accounting and financial management.

Contract compliance number: Educators Preferred Corporation (EPC): 382365785  
Subcontractor: Metropolitan Life Insurance Company (MetLife): 135581829

To authorize the expenditure of \$515,000.00 from the General Fund, or so much thereof as may be necessary to pay the second of three payments to Educators Preferred Corporation (EPC) to administer the 2008 severance plan; to waive the competitive bidding provisions of the Columbus City Codes; and declare an emergency. (\$515,000.00)

WHEREAS, with the extraordinary challenges facing the City of Columbus' general fund it was imperative that cost containment measures be considered; and

WHEREAS, the Human Resources Department entered into contract with Educators Preferred Corporation (EPC) to design and implement a one-time voluntary employee severance plan; and

WHEREAS, sixty-five (65) city employees elected to participate in the severance plan; and

WHEREAS, Educators Preferred Corporation (EPC) utilizes Metropolitan Life Insurance Company (MetLife) to establish a severance plan "Funding Account" from which payments and appropriate withholdings are made to plan participants and to secure monthly payments to participants; and

WHEREAS, the expenditure of up to \$515,000.00 is required to cover the costs associated with the severance package for the second year of the plan; and

WHEREAS, these funds are budgeted in the 2010 Department of Human Resources general fund budget; and

WHEREAS, this ordinance is submitted as an emergency so as to allow the financial transaction to be posted in the City's accounting system as soon as possible; now, therefore

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the expenditure of \$515,000.00 or so much thereof as may be necessary to pay the second of three payments to Educators Preferred Corporation (EPC) to administer the 2008 severance plan is hereby authorized and directed as provided below:

Department of Human Resources | Department: 46 | Division: 46-01 | Fund: 10 | OCA Code: 460188 | OL1: 03 | OL3: 3336

SECTION 2: That the provisions of Chapter 329 of the Columbus City Codes are hereby waived.

SECTION 3: That for the reasons state in the preamble hereto, which is hereby made a part of hereof, this ordinance is declared to be an emergency and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage, if the Mayor neither approves nor vetoes the same.