



## ADMINISTRATIVE SERVICES COMMITTEE

### Agenda

Wednesday, November 9, 2011

4:00 pm

Madison Avenue Meeting Room  
500 SW Madison

#### Discussion/**Possible Action**

- I. Council Policy Review and Recommendation: 91-3.04, "Separation Policy" (Attachment)

#### Information

- II. Other Business

**The November 23, 2011 meeting has been canceled.**

**The next scheduled meeting will be held on:**

Wednesday, December 7, 2011 at 4:00 pm

Madison Avenue Meeting Room, 500 SW Madison Ave

#### **Agenda**

Utility Rate Annual Review

Comprehensive Annual Financial Report Recommendation

Council Policy Review and Recommendation: 98-2.10,

"Use of E-Mail by Mayor and City Council"

Financial Policies Review

First Quarter Operating Report

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**OFFICE**

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**MEMO**

**To:** Administrative Services Committee  
**From:** Ellen Volmert, Assistant City Manager   
**Subject:** City Council Policy 3-04 – Separation Policy  
**Date:** November 9, 2011

**PURPOSE**

The policy provides for separation assistance to regular exempt employees for non-discharge termination of employment.

**BACKGROUND**

The policy covers all regular exempt employees (not temporary or casual). Represented employees are covered by the provisions of their individual labor contracts. The policy has been in effect since 1985.

At the Administrative Services Committee (ASC) meeting of October 5, 2011, ASC requested that staff bring back some additional information on comparators; that the policy be rewritten to separate the prior Purpose statement into Purpose, Mission, and Goals, and that the assistance provided in the policy be structured for one maximum amount of assistance and flexibility within that amount regarding the form of assistance.

**DISCUSSION**

The format of the draft policy has been revised and language added to set the maximum assistance to 16 calendar weeks of notice. The City may opt to provide other assistance in lieu of the notice but under the draft revisions does not have the option to give the full notice and other assistance as well if the assistance requires additional City expense. Where outplacement services can be provided to employees at no additional cost to the City, such as training with Community Services Consortium on interview skills or resume writing, the policy allows that it be in addition to the separation assistance.

The focus on this policy is regular exempt employees who do not have the protections represented employees have relative to layoff, such as bumping rights or seniority. That is why the minimum notice is set at 30 days, equal to the minimum notice for represented employees under current contracts vs. more of an external equity focus from comparable cities. Human Resources Division staff collected the attached information from our labor comparator cities. Several elements are included in various cities' benefits for terminated exempt employees; some of which are not currently covered in the City Council policy. The City Council may want to consider such elements. These include:

1. Several cities have some type of recall rights for exempt employees which Corvallis does not. Recall is a process where a previously laid off employee has the right to their prior position for a certain period following the elimination of the position without having to compete for the position through a recruitment. AFSCME employees for example, have recall rights for

24 months. Cities listed which have recall rights for exempt employees vary in how much recall time they grant: one year, 18 months, or 2 years. Would the City Council wish to add recall rights to the policy and if so, for how long?

2. If exempt employees are recalled within a specified length of time, several cities credit them with their prior service for purposes of benefits or reinstate sick leave lost at the time of lay off etc. Were Corvallis to re-employ an exempt employee, we would not credit back time or benefits, such as more vacation time. Does the City Council wish to make any change to this policy if recall for exempt employees is added to the policy?
3. The current Council policy only addresses involuntary termination. One comparator city, Springfield, also has an incentive for voluntary separation which is designed to lessen the likelihood of an involuntary layoff while still reducing expenditures. The City of Albany utilized a similar program a couple of years ago. Corvallis city staff looked at such incentive programs as part of the internal working group evaluating employee suggestions and a form of incentive was offered in AFSCME negotiations. However no program resulted and the AFSCME incentive program was not included in the final tentative agreement.

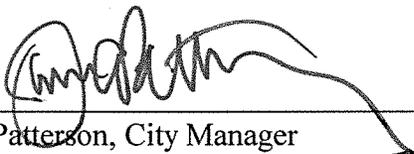
Incentive programs have to be carefully crafted to produce actual savings especially in the longer term. Such programs for represented employees are a mandatory subject of bargaining. It would be anticipated that such incentive programs could be analyzed and come forward administratively, perhaps as a part of the budget process, and do not need to be a part of this policy on involuntary separation.

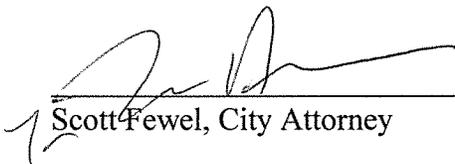
### **FINANCIAL IMPACT**

There is no specific financial impact of the existing policy since under the policy all separation assistance is dependent upon action by the City Manager following review with the City Council; nothing is guaranteed. If the guidelines in the policy are followed, there could be a financial impact due to the draft changes, since it is more limiting on the total assistance the City Manager can elect to provide. Any assistance would further need to conform to budgeted expenditure authority.

### **RECOMMENDATION**

Staff recommends that the Committee provide direction and recommend appropriate amendments to the existing policy to the City Council.

  
\_\_\_\_\_  
Jim Patterson, City Manager

  
\_\_\_\_\_  
Scott Fewel, City Attorney

**Layoff Provisions (Cities in bold type have laid off exempt employees)**

**Albany**

City pays first three months of employee's cobra. If an employee is recalled, their sick leave balance is reinstated. Positions vacated through a layoff are frozen and will not be available to be refilled. Every effort will be made to give as much notice as possible.

**Bend**

Department Director has ability to work out severance provision individually. The City will attempt to give employees as much notice as possible. Right of recall for twelve months, and a recalled employee's service years are restored with the years of service accumulated at the time of layoff.

**Grants Pass**

There is no right to recall. Layoff is based on job knowledge, attendance & disciplinary records, various certifications, and efficiency of City operation. No specific notice period.

**Keizer**

Two week written notice of termination. Recall rights for twelve months, but no right to bump. If an employee is recalled in that twelve month period, he/she will be credited with length of service at time of layoff for benefit eligibility purposes. Layoff is based on overall work performance, skills and abilities to perform the work remaining and the needs of the City, all factors being equal then a preference would be given to employees with longest length of City service.

**Lake Oswego**

The HR Director, in coordination with Department Directors will choose employees for layoff, based on a combination of qualifications, productivity and general performance. There are no recall rights, no severance and no required notice period.

**McMinnville**

No policy, but would extend two year recall. Would be up to the City Manager to decide if an employee were to be offered severance pay. No specific notice period.

**Medford**

Sick leave cashed out, (50% of hrs > 960 + 20% of hrs > 520). City policy is to consider reassigning employees in lieu of layoff. A 30 day notice is provided, and if for any reason (i.e. security) there is a concern they will pay the employee for the 30 days but terminate earlier.

**Oregon City**

Employees retain "benefit credit" for twelve months, meaning an employee who is recalled in that twelve month period will return to the same service level for benefits that he/she had at the time of layoff. Employee can self pay to maintain health insurance. No specific notice period.

**Springfield**

Employees are selected by skill, ability, length of service, and a documented positive job performance for the preceding three years (from review of performance evaluations). The positions selected for layoff are based on assessment of operating needs for the future. Employees laid off receive a two week severance pay, and an 18 month recall period. They are using casuals to fill vacancies. They are also offering a voluntary separation program, of \$6,000 + \$400 per year of service maxed at 30 yrs. Employees apply for the early retirement incentive and departments calculate if there is a savings to the city (from the salary) greater than the payout.

**Tigard**

Three months of fully paid health insurance, or the equivalent amount in cash, paid on day employee is laid off. Can bump into any open position (including non-exempt). At least 15 working days notice would be provided.

Council Policy 91-3.04

CITY OF CORVALLIS

COUNCIL POLICY MANUAL

POLICY AREA 3 - PERSONNEL AND ADMINISTRATIVE MATTERS

CP 91-3.04      Separation Policy

Adopted October 7, 1985

Revised August 15, 1988

Affirmed October 7, 1991

Revised May 1, 1995

Revised October 20, 1997

Revised November 1, 1999

Affirmed March 5, 2001

Revised November 17, 2003

Affirmed November 7, 2005

Revised November 5, 2007

Revised October 19, 2009

**Revised November 21, 2011**

3.04.010      Purpose

To ~~establish a separation policy for that: a. provides~~ formal policy guidelines for separation assistance to City of Corvallis employees.

3.04.020      Mission

To ensure long term community livability, fiscally sustainable City budgets and social sustainability within the City organization, through administration of separation policies designed to maximize efficient delivery of City services within the City's ability to pay; while also recognizing the value of work performed by employees.

3.04.030      Goals

**3.04.031**      Ensures equitable and consistent application of ~~that policy~~ to eligible individuals; and

**3.04.032**      Ensures balance between support for the individual in transition and the interests of the City.

## **Council Policy 91-3.04**

- 3.04.033**      Ensure compliance with state and federal laws, including the Worker Adjustment and Retraining Notification Act (WARN), whenever they are applicable.
- 3.04.34**      **Ensure the delivery of high quality City services at a level desired by citizens.**
- 3.04.035**      **Attract and retain highly qualified employees.**
- 3.04.036**      **Provide the City Council the flexibility necessary to meet organizational goals.**
- 3.04.040**      Policy
- When a termination of employment other than discharge for cause has been initiated by the City, separation assistance should be made available to the employee to help during the transition to other employment and to minimize the City's financial liability.
- 3.04.050**      Eligibility
- 3.04.051**      All non-probationary City of Corvallis managers, supervisors, and exempt regular employees are eligible for separation assistance, subject to the conditions and requirements contained in this policy.
- 3.04.052**      The subject of separation assistance for nonexempt regular employee groups is addressed in their respective labor agreements or other written agreement between the bargaining unit and the City. The subject of separation assistance for Council appointees is addressed in their respective employment agreements. The guidelines below shall govern separation assistance for exempt, non-represented and non-appointed employees.
- 3.04.053**      Probationary, temporary and casual employees are not subject to this policy nor entitled to separation assistance.
- 3.04.060**      Guidelines
- 3.04.061**      Separation assistance is at the discretion of the City. Assistance may take the form of advance notice, outplacement services, and/or separation compensation.
- 3.04.062**      Advance notification of termination is the preferred means of assistance, but separation compensation is an alternative that can be utilized in whole or in part in addition to **lieu of** advance notice if appropriate or if advance notice is not practicable.

**Council Policy 91-3.04**

3.04.063 The City Manager is responsible for managing separation provisions for eligible employees.

3.04.064 Formal, written separation agreements shall be utilized. Agreements shall specify the type and extent of assistance to be given the employee as well as define the responsibilities and expectations of the employee and the City. These agreements will be reviewed by the City Attorney.

~~3.04.041~~ Advance Notice

3.04.065 The City shall endeavor to provide as much advance notice as practical in the event that an employee is to be separated from City employment. An employee who is separated within his/her first six months of regular, non-probationary employment shall be entitled to notice 30 calendar days prior to any separation. The employee shall be eligible for more notice, depending upon her/his length of tenure with the City. For each year of service following her/his first six months of employment, the employee shall be afforded an additional two calendar weeks of advance notice prior to any separation, up to a maximum period of notice totaling ~~48~~ **16** calendar weeks. The City may grant additional notice at its discretion.

3.04.066 During the period of advance notice, the employee shall be responsible for fulfilling all job responsibilities in a manner consistent with department standards. In the event that the employee does not perform his/her duties satisfactorily after notice is given, then the period of advance notice may be shortened or eliminated.

~~3.04.042~~ Separation Compensation

3.04.067 In situations where the full amount of advance notice is not practical, or where it is in the best interest of the City to provide ~~additional~~ **other** assistance, separation compensation may be used ~~in addition to or~~ in lieu of all or part of the advance notice provision. Separation compensation, if applicable, shall be calculated in accordance with the following schedule **with one week of compensation in lieu of two weeks of notice up to the following maximums:**

Amount of Separation Compensation  
(Compensation = salary + insurance coverage)

<u>Length of Continuous Employment</u>	<u>Assistant City Manager Department Directors</u>	<u>Managers Supervisors and Exempt Employees</u>
0-1 year	None	None
1 year and up	1 week per year;	2-1/2 days per

## Council Policy 91-3.04

maximum of eight weeks  
pay and two months health

year; maximum of  
four weeks pay  
and one month health

3.04.068 Subject to the approval of the City Manager and the employee's supervisor, the employee may receive a portion of any separation compensation in the form of outplacement services. Outplacement services may consist of career counseling, resume writing assistance, other job search tools or assistance, or any other service which assists the employee in achieving productive employment. At the option of the City **and where such services are without direct cost to the City**, such services may also be offered in addition to the above separation compensation where it would benefit the City to do so.

### 3.04.070 Review of Separation Assistance and Compensation

The City Manager shall have the final decision on the types and amounts of separation assistance that shall be offered **within the limitations set by this policy and by budget authority**. Separation compensation shall only be utilized by the City Manager after Executive Session review by the City Council.

### 3.04.080 Review and Update

The "Separation" Policy shall be reviewed at least every two years in October by the City Manager for recommendation to the Council on appropriate revisions.

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**To recognize the value of employees to the organization and to protect their personal and financial well-being through policies designed to provide appropriate separation assistance, within the City's ability to pay, to regular exempt employees facing involuntary, non-discharge termination of employment.**

## **Council Policy 91-3.04**

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- 3.04.032**      Ensures balance between support for the individual in transition and the interests of the City.
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## Council Policy 91-3.04

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