

ORDINANCE NO. 107-20

ORDINANCE AMENDING ORDINANCE 85-11 AND APPROVING THE HUMAN RESOURCES POLICIES FOR NON-UNIFORMED EMPLOYEES RELATING TO CERTAIN POLICIES

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

SECTION 1: Section XIV of the Human Resources Polices for Non-Uniformed Employees is amended to read as follows:

E. Separation Pay – Full-time non-uniformed exempt salaried employee

- 1. If it is necessary to separate the employment of a full-time non-uniformed exempt salaried employee for reasons of a Reduction in Force as described in section 2 below, it is the City’s intention that such separation be handled in a fair, reasonable and equitable manner, as set forth herein.
- 2. Reduction in Force - refers to a separation resulting from job elimination, office closing, facility closing, reorganization, downturn in revenue, or outsourcing.
  - a. Notification of Separation - An employee will be informed at the time of separation of his/her benefits status after separation.
  - b. Separation Allowance
    - i. The standard separation allowance shall be one (1) week of pay for each full year of service. A “full year of service” means one complete year from the anniversary date of the employee’s hiring by the City.
    - ii. The standard separation allowance is subject to the following minimum separation allowance schedule that is based on the employee’s salary at the time of separation:

<u>Salary</u>	<u>Minimum Separation Pay</u>
\$35,500 - \$50,499	8 weeks pay
\$50,500 - \$65,499	12 weeks pay
\$65,500 - \$80,499	16 weeks pay
\$80,500 and over	20 weeks pay

- iii. Separation pay shall be conditional on the employee continuing to work until there is no longer a need for his/her services. The effective date of separation will be the date immediately following the last date the employee’s services are needed.
- iv. If the employee is offered and refuses a position of similar salary and status with the City, his/her separation pay may be reduced or eliminated. The evaluation

and/or decision as to whether a position is of “similar salary and status” and whether to eliminate or how much to reduce separation pay is within the sole discretion of the City.

- v. If the employee is being separated as a result of out-sourcing to an outside entity and the employee is offered and refuses a position of similar salary and status with the outside entity, his/her separation pay may be reduced or eliminated. The evaluation and/or decision as to whether a position is of “similar salary and status” and whether to eliminate or how much to reduce separation pay is within the sole discretion of the City.
  - vi. Separation pay shall be conditional upon the employee fully executing a general waiver and release agreement in a form and manner to be prescribed by the City.
  - vii. Medical, Dental, and Vision coverage will be offered through COBRA. The City will pay the full amount of COBRA coverage for a period of time equal to the provided separation allowance rounded up to a full month’s coverage at the coverage level in effect at the time separation notice was given (i.e., if separation pay ends on a day other than the last day of the month, applicable coverage will continue through the end of that month). A minimum of three months paid COBRA coverage will be offered by the City.
  - viii. The separated employee will have the option to choose either a one-time lump sum payment of the separation allowance or have the allowance paid on each regular pay cycle following the effective date of separation until the separation allowance is paid in full. Choosing the pay cycle option does not extend the effective date of separation or provide for additional accruals of vacation or sick leave.
3. Authority – All authority to execute and administer this policy is vested with the City Administrator or his/her designee.

F. Separation Pay – Full-time non-uniformed non-exempt (hourly) employee

- 1. If it is necessary to separate the employment of a full-time non-uniformed non-exempt (hourly) employee for reasons of a Reduction in Force as described in section 2 below, it is the City’s intention that such separation be handled in a fair, reasonable and equitable manner, as set forth herein.
- 2. Reduction in Force - refers to a separation resulting from job elimination, office closing, facility closing, reorganization, downturn in revenue, or outsourcing.
  - a. Notification of Separation - An employee will be informed at the time of separation of his/her benefits status after separation.
  - b. Separation Allowance
    - i. The standard separation allowance shall be one (1) week for each full year of service, except those employees with less than two (2) years of service shall receive two (2) weeks separation pay. A “full year of service” means one complete year from the anniversary date of the employee’s hiring by the City. Separation pay shall not exceed ten (10) weeks pay regardless of length of service.

- ii. Separation pay shall be conditional on the employee continuing to work until there is no longer a need for his/her services. The effective date of separation will be the date immediately following the last date the employee's services are needed.
- iii. If the employee is offered and refuses a position of similar pay with the City, his/her separation pay may be reduced or eliminated. The evaluation and/or decision as to whether a position is of "similar pay" and whether to eliminate or how much to reduce separation pay is within the sole discretion of the City.
- iv. If the employee is being separated as a result of out-sourcing to an outside entity and the employee is offered and refuses a position of similar pay with the outside entity, his/her separation pay may be reduced or eliminated. The evaluation and/or decision as to whether a position is of "similar pay" and whether to eliminate or how much to reduce separation pay is within the sole discretion of the City.
- v. Separation pay shall be conditional upon the employee fully executing a general waiver and release agreement in a form and manner to be prescribed by the City.
- vi. Medical, Dental, and Vision coverage will be offered through COBRA. The City will pay the full amount of COBRA coverage for a period of time equal to the provided separation allowance rounded up to a full month's coverage at the coverage level in effect at the time separation notice was given. (e.g., an employee receiving 2 weeks separation allowance will be eligible for 1 month of medical, dental, and vision coverage at the coverage level in effect at the time notice of separation was given; if separation pay ends on a day other than the last day of the month, applicable coverage will continue through the end of that month). A minimum of three months paid COBRA coverage will be offered by the City.
- vii. The separated employee will have the option to choose either a one-time lump sum payment of the separation allowance or have the allowance paid on each regular pay cycle following the effective date of separation until the separation allowance is paid in full. Choosing the pay cycle option does not extend the effective date of separation or provide for additional accruals of vacation or sick leave.

3. Authority - All authority to execute and administer this policy is vested with the City Administrator or his/her designee.

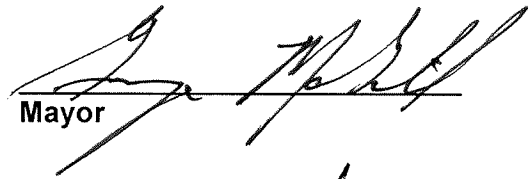
**SECTION 2:** Non-eligible Employees: Exempt and nonexempt employees who are covered by an enforceable written employment agreement that provides for separation pay are not eligible for separation pay under this policy.

**SECTION 3:** Emergency Clause. It is determined that the adoption of provisions relating to City employees terminated as a result of a Reduction in Force, as enacted by Section 1, is necessary for the reasonable and equitable treatment of any such employees so terminated and that considerations arising from current economic or other conditions may require separation of

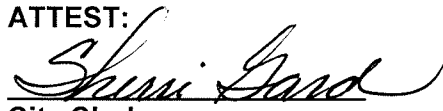
employment under the conditions set forth in this Ordinance prior to the expiration of thirty (30) days from the adoption of the Ordinance. Therefore, an emergency is declared and this Ordinance shall be effective from and after its date of passage.

This Ordinance adopted this 15<sup>th</sup> day of December, 2020.

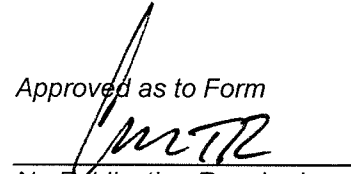
APPROVED:

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

Approved as to Form

  
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No Publication Required