

CITY OF CHESAPEAKE, VIRGINIA

NUMBER: 2.17

ADMINISTRATIVE REGULATION

EFFECTIVE DATE: 3/5/2012

SUBJECT: DEPARTMENT OF HUMAN RESOURCES - REDUCTION-IN-FORCE POLICY **SUPERSEDES: 10/20/2009**

I. PURPOSE

To establish guidelines and general criteria for the implementation of a reduction-in-force.

II. SCOPE

This Policy applies to all employees under the direction of the City Manager. Any state-funded position which the City supplements may be subject to a reduction or elimination of the City supplement. A loss of City supplement may ultimately result in a position reduction.

For the purpose of this Policy, it is understood that all references to the City Manager, the Director of Human Resources, or department head shall be considered to include reference to "designee" (e.g. the City Manager/designee; the Director of Human Resources/designee; department head/designee).

The City retains the right to abolish positions, and terminate the employment of employees occupying such positions at the time, because of economic necessity, policy change, reorganization, workload factors, reduction in services and other governmental reasons, without being subject to the provisions of this Policy. The Code of Virginia preserves as a non-grievable management prerogative the right to manage the affairs and operations of government to include retention of employees.

This Policy shall have precedence over all other City administrative regulations in the event of a reduction-in-force.

III. DEFINITIONS

Classification – A group of positions that perform similar duties, require similar qualifications, and possess the same title and pay grade.

Notice of Separation – Official notification to employee that he/she is being separated from employment as a result of a reduction-in-force.

Reduction-in-force – A short or long-term reduction in the number of budgeted positions in the City's complement.

Severance payment – A sum of money that is paid to qualifying employees separated from employment as a result of a reduction-in-force.

IV. REDUCTION-IN-FORCE PLAN

A. Components of the Plan

When a department head determines a reduction-in-force is necessary, he/she shall submit a reduction-in-force plan to City management for review and approval. Taking into consideration existing business conditions, as well as future needs of the department, the plan should include the following components:

- Purpose of the reduction-in-force;
- Description of the functions and/or services to be reduced or eliminated;
- Rationale for the reduction or elimination of the identified functions/services
- Number of positions identified for reduction, elimination, or reassignment;
- Division/function where affected positions are located;
- Classification titles of positions identified for reduction, elimination, or reassignment;
- Description of the impact of the position reductions, eliminations, or reassignments;
- Description of how the work from the affected positions will be distributed;
- An evaluation of the incumbent personnel in the identified classifications within the entire department;
- Preliminary list of affected personnel in identified classifications; and
- Justification for selection of identified personnel.

B. Reduction-in-Force Order

The reduction-in-force order for the affected classifications is as follows.

- Group 1: Employees whose performance evaluation rating is "Needs Improvement" or "Unsatisfactory"
 - Group 2: Seasonal/substitute, part-time, temporary, and Encore employees
 - Group 3: Special project and probationary full-time employees
 - Group 4: Regular, full-time employees by tenure, based on most recent hire date, after performance evaluation credit has been added.
-

C. Performance Evaluation Credit

For an employee who has a current annual overall performance evaluation rating of "Exceeds Expectations" or "Outstanding Performance," additional years of service credit will be added to the employee's hire date. Adjusting the hire date, based on an employee's annual overall performance evaluation rating, serves to increase the employee's length of service for the purpose of determining the order of separation for affected employees.

1. In the case of an employee with an "Exceeds Expectations" performance evaluation rating, the employee's length of service is increased by two years.
2. In the case of an employee with an "Outstanding Performance" performance evaluation, the employee's length of service increased by four years.

D. Acting Assignments and Non-Standard Status

An employee assigned to another classification while serving in a temporary acting assignment must be identified by his/her regular classification for the purposes of this Policy.

An employee who is in a leave status (e.g. family and medical leave, military leave, leave without pay, etc.) is considered an active employee for the purposes of this Policy. If the position occupied by any such employee is not identified for reduction, the position may not be used as a placement option for other employees impacted by the reduction-in-force.

E. Authority

The City Manager has final approval of the plan and may modify the plan as he/she determines is appropriate to best meet the operational needs of the City.

V. INITIAL NOTIFICATION OF AFFECTED EMPLOYEES

Once the department head has received approval from the City Manager to reduce, delete, or reassign positions, the department head will meet individually with each affected employee to provide notice of the impact of the reduction-in-force. To the extent possible, initial notice shall be provided at least 60 days in advance of the proposed date of separation, reduction, or reassignment.

VI. PRIORITY CONSIDERATION

The Department of Human Resources will make every effort to promote the stability of employment of employees whose jobs are affected by changing staffing requirements. Affected employees shall be processed for certification for interview in accordance with the provisions of the "Guide for Employee Selection" which serves as a supplement to Administrative Regulation 2.41, Employee Selection Policy and Procedures. Where possible, during the notification period, an employee whose performance is in good standing and who occupies a position that has been

identified for elimination/reduction may be given preference for certain advertised City vacancies of the same or reduced status.

Such employee shall have the opportunity to interview for vacancies, if basic qualifications are met, without competition from other potential applicants (except other employees so identified). The hiring official shall have access to the contents of the official personnel file of an affected employee being processed through priority consideration. The hiring official is under no obligation to select the employee. If such employee is offered a position and declines the offer, the employee shall no longer be eligible for priority consideration.

VII. SALARY, BENEFITS AND SEVERANCE

A. Salary and Benefits

1. An employee who is demoted as a result of a reduction-in-force action shall be subject to the applicable decrease in salary as outlined in Administrative Regulation 2.54, Pay Provisions Policy.
2. The benefit package for regular full-time employees separated from employment due to the reduction-in-force shall be determined by the City Manager at the time of separation.

B. Severance Pay

1. A regular full-time employee who is separated from employment as a result of a reduction-in-force shall receive severance pay, determined by length of City service.
2. For the purposes of this subsection, a “day” is considered to be eight (8) hours. The Director of Human Resources will develop and administer the severance pay schedule for those classifications of employees who have special or unique work schedules.

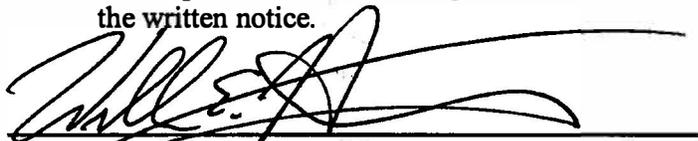
| Length of City Service* | Severance Calculated on Base Salary |
|--------------------------------|--------------------------------------------|
| < 1 year | 14 days |
| 1.00 - 4.99 years | 28 days |
| 5.00 - 9.99 years | 42 days |
| 10.00 - 14.99 years | 56 days |
| 15.00 - 19.99 years | 70 days |
| 20 years or more | 84 days |

**Length of service is based on most recent full-time hire date.*

3. Severance pay is provided to an affected regular full-time employee once the individual has separated from the organization as a result of the reduction-in-force action.
4. An affected employee, who is eligible to retire and does so on or before the declared reduction-in-force separation date, shall be eligible to receive appropriate severance based on years of service. Severance pay is not considered creditable compensation for purposes of retirement.
4. A full-time employee whose hours are reduced in excess of 30% shall have the option to resign by the effective date of the reduction of hours and be entitled to the severance package.

VIII. NOTICE OF SEPARATION

The Department of Human Resources will prepare the individual written Notices of Separation. The department head or designee will meet individually with each affected employee to provide the written notice.



William E. Harrell, City Manager

3/5/12

Date