

CITY OF CHESAPEAKE, VIRGINIA

NUMBER: 2.17

ADMINISTRATIVE REGULATION

EFFECTIVE DATE: 10/20/2009

SUBJECT: DEPARTMENT OF HUMAN RESOURCES - REDUCTION-IN-FORCE POLICY **SUPERSEDES: 09/04/2009**

I. PURPOSE

There may be times when economic circumstances, program elimination or alteration, or privatization of existing programs create the necessity for the City to reduce the size of its workforce.

The purpose of this Policy is to ensure the fair and consistent application of objective criteria when there is a need to reduce the workforce based on general economic conditions, specific program or activity funding, or privatization or elimination of selected services.

II. SCOPE

- A. This Policy applies to all full-time, part-time, temporary and special project 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.
- B. 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" (i.e. the City Manager/designee; the Director of Human Resources/designee; department head/designee).
- C. This Policy is not legally required. The City retains the right, without subject to the provisions of this Policy, to abolish positions and terminate the employment of employees occupying such positions at the time because of economic necessity, policy change, reorganization to improve efficiency, and other governmental reasons.
- D. This Policy shall have precedence over all other City administrative regulations in the event of a reduction-in-force.

III. DEFINITIONS

Affected classification - A classification (classifications) of positions identified by the department head for termination consideration in response to the issue of a reduction-in-force order by the City Manager.

Classification - All positions of the same title and grade.

Continuous service date - The date that determines order of placement on the retention list of an affected classification which includes both length of service and performance evaluation credit.

Red circled - The method of identifying an employee whose salary exceeds the maximum of the pay range to which they are assigned. The employee is not eligible for salary increases until the maximum of the salary range for the position assigned is increased to a level above the employee's current salary.

Notice of Separation - Official notification to employee that he/she is being relieved of duty as a result of a reduction-in-force.

Period of Notice - The period between Notice of Separation and termination date.

Probationary employee - For the purpose of this Policy, an employee who is serving the initial probationary period.

Reduction-in-force - A short or long-term reduction in the number of people employed by the City and/or the elimination of previously budgeted positions.

Reduction-in-force plan - The determination of positions to be eliminated, or employees subject to reassignment or termination through established priority order.

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

Temporary employee - An employee who is hired for a position that has an established ending date.

IV. GENERAL

A. Need for a Reduction-in-Force

1. The City will take proactive steps whenever practical to avoid or minimize a reduction-in-force. Such steps may include elimination or reduction of temporary service and other contract workers, implementation of a hiring freeze, eliminating overtime hours, incentives for retirement, job sharing, reduced work hours, or other strategies which may curtail expenses.
2. When the City Manager deems a reduction-in-force to be warranted, he/she shall issue a reduction-in-force order. The order may be non-specific, identifying only a specific dollar amount or percent of salaries to be eliminated or reduced, or the directive may identify certain program functions to be eliminated or reduced.
3. Once a reduction-in-force order has been issued, the Department of Human Resources shall issue a Guide to Reduction-in-Force which will address the

sequence of steps to be followed in communicating with affected employees and implementing the reduction-in-force.

B. Identification of Affected Classifications

1. Human Resources shall determine the group I positions to be reduced or abolished in response to the reduction-in-force order.
2. Department heads shall determine the position classification(s) for groups II, III, and IV to be reduced or abolished (affected classifications) in response to the reduction-in-force order.
3. The department head shall recommend to the Director of Human Resources the number of positions within the affected classification(s) to be eliminated. An assessment shall be made of the impact that such proposed reassignments and/or terminations would have on protected classes pursuant to Title VII of the Civil Rights Act of 1964, as amended, and the Age Discrimination in Employment Act.
4. The Director of Human Resources shall forward the final recommendation with appropriate comments to the City Manager. The City Manager shall have discretion to evaluate the need for affected positions in retention groups II, III, and IV, as defined below, based on core services. Final approval of affected classifications and numbers to be reduced rests with the City Manager. Once the affected department head has received approval from the City Manager to delete positions, the department head must apply the procedures outlined in this Policy.
5. The department head may request that a particular classification, program function, status, or employee deemed critical to the operation of the department be exempted from this process. The request should be directed to the Director of Human Resources for review and approval. In lieu of such a request, the reduction-in-force will be accomplished in the manner prescribed below.

C. Retention Groups

1. Employees whose last overall performance evaluation rating is "Improvement Required" or "Unsatisfactory" performance" constitute **Group I**.
2. The department head shall establish retention groups II, III, and IV for employees within each of the affected classifications.
 - a. Temporary, on-call, substitute, and part-time employees, whose current overall performance evaluation rating was "Solid" or better will be placed within **Group II** for the affected classifications.
 - b. Full-time employees in their initial probationary period will be placed within **Group III** for the affected classifications.

- c. Regular full-time employees and those recently transferred, whose current overall performance evaluation rating was “Solid” or better, will be placed within **Group IV** for the affected classifications.
- d. The continuous service date shall determine the order in which employees within an affected class are reassigned or terminated according to the sequence of steps outlined in Section D below. Please refer to the Guide to Reduction-in-Force for information on determining the continuous service date.

D. Implementation

When a reduction-in-force is ordered, the following sequence of steps shall apply:

1. Normal attrition;
2. Termination of Group I employees within all classifications;
3. Termination of Group II employees within affected classifications;
4. Termination of Group III employees within affected classifications;
5. Reassignment of Group IV employees within affected classifications to authorized positions; and
6. Termination of Group IV employees within affected classifications.

E. Notice of Separation

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

V. PRIORITY CONSIDERATION

The Department of Human Resources will make every effort to promote the stability of employment of regular full-time (Group IV) employees whose jobs are affected by changing staffing requirements. Where possible, during the period of notice, a Group IV employee whose performance is in good standing and who occupies a position that has been identified for elimination shall be given preference for City vacancies that are to be filled based on the reduction-in-force plan. 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).

- A. The hiring official is under no obligation to select the employee, but may do so without advertising if the employee is a suitable choice.
- B. If such employee is offered a position and declines the offer, the employee shall no longer be eligible for priority consideration.

VI. SALARY, BENEFITS AND SEVERANCE

A. Salary and Benefits

- 1. A Group IV employee whose reassignment as a result of a reduction-in-force action has resulted in a demotion shall retain the salary of the position held prior to the demotion. If this salary exceeds the range of the classification to which the employee was demoted, the employee's salary will be red circled, and the employee will receive no pay increase until such increase would be within the range of the classification to which the employee was demoted.
- 2. The benefit package for Group IV employees affected by the reduction-in-force shall be determined at time of separation.

B. Severance Pay

- 1. A Group IV employee who is terminated shall receive severance payment, determined by length of City service, on a schedule to be determined by the Director of Human Resources.
- 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

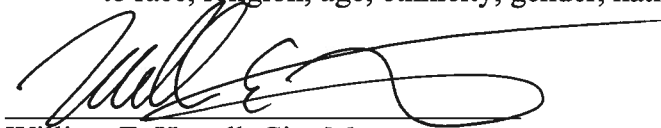
**Length of service is based on most recent full-time hire date.*

- 3. A Group IV employee shall be eligible for severance pay only if the following conditions are met.

- a. The individual is no longer employed by the City.
 - b. The individual has not declined a job offer from an outside contractor in a privatization effort. If the individual has accepted employment with the contractor providing the privatized service, he/she will not be eligible for severance payment.
- 4. An employee who is eligible to retire, and does so, may be eligible to receive appropriate severance based on years of service. Severance pay is not considered creditable compensation for purposes of retirement.
 - 5. Severance pay to which a Group IV employee is entitled at time of termination does not include the payment for period of notice.

VII. NON-DISCRIMINATION IN REASSIGNMENT AND TERMINATION

All reassignment and termination decisions pursuant to this Policy shall be made without regard to race, religion, age, ethnicity, gender, national origin, disability, or marital status.



William E. Harrell, City Manager

10/20/09

Date