Item No. 8(d)
June 2, 2014

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Ordinance No. 6162 amending the Human Resources Code, Chapter 3.79.130 to add a new subsection 3.79.130H to align with the state law providing for unpaid holidays for observances of faith or conscience or for organized activities of a religious organization; and authorizing the City Manager or his/her designee to implement rules for administering this benefit.

FISCAL IMPACT

There is a de minimis fiscal impact as the new law only provides for two unpaid holidays. We anticipate that this benefit may not be widely used given that it is unpaid. However, there may be a de minimis impact if the employee's position needs to be backfilled with overtime.

STAFF CONTACT

Julie Howe, Assistant Human Resources Director, 452-2069
Human Resources Department

Siona D. Windsor, Senior Attorney, 452-4086
City Attorney's Office

POLICY CONSIDERATION

Shall Council approve the changes to the Human Resources Code 3.79 to comply with State law?

BACKGROUND

The Legislature passed Substitute Senate Bill 5173 amending RCW 1.16.050 declaring legal holidays. The new legislation provides that public employees are entitled to two unpaid holidays per calendar year for purposes of observances of faith or conscience. Public employers can deny a requested day off if it would create an undue hardship or the employee is necessary for public safety.

The law requires that the employer implement rules to administer this new benefit. The Human Resources Policies and Procedures Manual will be revised to provide for these two unpaid holidays consistent with this state law.

EFFECTIVE DATE

If approved, this Ordinance will become effective on June 11, 2014. The law becomes effective June 12, 2014; and the benefit will go into effect on that date.

OPTIONS

1. Adopt Ordinance No. 6162 amending the Human Resources Code, Chapter 3.79.130 to add a new subsection 3.79.130H to align with the state law providing for unpaid holidays for observances of faith or conscience or for organized activities of a religious organization; and authorizing the City Manager or his/her designee to implement rules for administering this benefit.
2. Do not adopt Ordinance No. 6162 and provide alternate direction to staff.

RECOMMENDATION

1. Move to adopt Ordinance No. 6162 amending the Human Resources Code, Chapter 3.79.130 to add a new subsection 3.79.130H to align with the state law providing for unpaid holidays for observances of faith or conscience or for organized activities of a religious organization; and authorizing the City Manager or his/her designee to implement rules for administering this benefit.

MOTION

Move to adopt Ordinance No. 6162 amending the Human Resources Code, Chapter 3.79.130 to add a new subsection 3.79.130H to align with the state law providing for unpaid holidays for observances of faith or conscience or for organized activities of a religious organization; and authorizing the City Manager or his/her designee to implement rules for administering this benefit.

ATTACHMENTS

Proposed Ordinance No. 6162

-ORD
05/28/14

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 6162

AN ORDINANCE amending the Human Resources Code, Chapter 3.79.130, to add a new subsection 3.79.130H to align with the state law providing for two unpaid holidays for observances of faith or conscience or for organized activities of a religious organization; and authorizing the City Manager or his/her designee to implement rules for administering this benefit.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Section 3.79.130 of the Bellevue City Code is hereby amended to read as follows:

3.79.130 Compensation and benefit policy.
The city's compensation policy is set forth herein. The city's pay plan will be adopted annually by the city council.

A. Responsibility for Salary and Benefit Administration. The city manager or his/her designee is responsible for developing, interpreting, and administering the city's compensation programs, maintaining records of employee time worked, calculating, adjusting and paying compensation earned, calculating the accrual and paying paid leaves of absence, determining amounts of deductions and contributions for employee benefits, paying benefits, conducting the prepayment audit of all expenditures, and developing and implementing rules and procedures necessary to carry out these functions.

B. Adjustments to Employee Compensation. The city manager may adjust employee compensation and/or benefits when this becomes necessary in order to carry out sound personnel management, and to accomplish objectives within the city's defined commitments. However, the city manager may not adjust the salary or salary range for the city manager, nor may he/she adjust the compensation and/or benefits of bargaining unit employees as established by existing labor agreements, except in accordance with procedures established in collective bargaining; or in order to bring compensation and/or benefits in line with other bargaining units or unrepresented employees; provided however, such modifications may not exceed an annual cost to the city of $50,000 in the aggregate for any bargaining unit. The city manager or his/her designee shall develop and implement rules for correcting over/underpayments of salary or other forms of compensation.

C. Garnishment. The city of Bellevue will deduct a processing fee for the first payment made pursuant to a garnishment order or assignment of wages. If the garnishment or assignment is a continuing lien or charge on earnings,

additional deduction may be made for the second and any subsequent payment under the garnishment or assignment.

D. Merit Increases. The city manager or his/her designee shall develop necessary or appropriate rules for timing of receiving merit increases that are consistent with this code, the adopted pay plan and budget constraints.

E. Special Recognition/Alternative Rewards. The city manager or his/her designee may approve implementation of other pay and benefit delivery systems within budget limits, such as gains sharing plans, small group incentive plans, and skill/knowledge-based plans; special recognition awards; service awards; reimbursement for training; professional memberships; licenses and certificates; clothing allowances; and tuition reimbursement programs.

F. Paid and Unpaid Leave Programs. The city manager or his/her designee shall develop and implement necessary and/or appropriate rules for the accrual and use of sick leave including maternity/paternity leave and bereavement leave, and all other paid and unpaid leaves, including family leave, military training leave, active military duty leave, jury duty, other civic duty and administrative leave, consistent with this code.

G. Paid Time Off Schedules.

1. Holidays Observed. The following are paid holidays for all fully benefited employees of the city, with exception of those employees in the J pay plan:

   - New Year's Day (January 1st)
   - Martin Luther King's Birthday (3rd Monday in January)
   - President's Day (3rd Monday in February)
   - Memorial Day (last Monday in May)
   - Independence Day (July 4th)
   - Labor Day (1st Monday in September)
   - Veteran's Day (November 11th)
   - Thanksgiving Day (4th Thursday in November)
   - The day immediately following Thanksgiving Day (4th Friday in November)
   - Christmas Day (December 25th)

2. Floating Holidays. Fully benefited employees assigned to work as a full-time equivalent of 1.0 or 40 hours a week will receive 16 hours of holiday

credit on January 1st of each year, in addition to the 10 designated holidays listed above, fully benefited employees assigned to work less than a 1.0 work schedule will receive a prorated number of hours to reflect his/her normal scheduled work week, rounded to the nearest one-tenth hour. The city manager or his/her designee shall develop and implement all necessary or appropriate rules regarding holidays and floating holidays.

3. Vacation Leave.

a. Accruals. Each fully benefited employee will accrue vacation leave time at the following rate based upon his/her continuous length of service from his/her most recent service credit date as a fully benefited employee. A full-time benefited employee working a 1.0 FTE schedule or assigned to work 40 hours a week must be in paid status for at least 90 hours in a calendar month to earn vacation credit for that month (calendar month of service); a fully benefited employee who works less than a 1.0 FTE/40 hours a week must be in paid status for at least 75 percent of his/her regularly scheduled work in a calendar month to earn vacation credit. Accruals are credited and posted to the employee's account at the completion of each calendar month.

i. A fully benefited employee will accrue vacation leave according to this schedule, prorated to reflect his/her normally scheduled work week as compared to a full-time work week of 40 hours. Prorated accruals are rounded to the nearest one-tenth hour.

Length of Service	Hours of Leave Accrued Per Calendar Month of Service
0 – 4 years	8
5 – 9 years	10
10 – 14 years	12.7
15 – 19 years	14.7
20 years or more	16.7

ii. Employees in the fire department who work 24-hour shifts will accrue vacation leave according to the schedule specified in the firefighter's bargaining unit contract, whether or not they are covered by that bargaining unit contract.

iii. A regular status employee reinstated from a layoff will begin at the same vacation accrual rate he/she was earning prior to the layoff.

iv. The city manager or his/her designee shall develop and implement necessary or appropriate rules for vacation including the accrual

and use of vacation and payment of vacation upon termination, consistent with the adopted pay plan.

b. Accelerated Vacation Accruals for Exempt Level Employees. In order to ensure the city is competitive in hiring and retaining the most qualified employees in exempt level positions, the city manager is authorized to agree to an initial lump sum and specific monthly accruals of vacation time which exceed the schedules of earning contained in subsection (G)(3)(a), Accruals, of this section.

4. Sick Leave Accruals.

a. Each fully benefited employee assigned to work a full-time equivalent of 1.0 or 40 hours a week will earn sick leave at the rate of eight hours for each calendar month of service completed since his/her most recent service credit date as a benefited employee. A fully benefited employee assigned to work less than 40 hours a week will earn a prorated number of hours which reflects the proportion his/her regularly scheduled work week is to a full-time work week of 40 hours. A full-time benefited employee working a 1.0 FTE/40 hours a week must be in paid status for at least 90 hours in a calendar month to earn sick leave for that month; a fully benefited employee working less than a 1.0 FTE/40 hours a week must be in paid status for at least 75 percent of his/her regularly scheduled work in a calendar month to earn sick leave for that month. The maximum amount of sick leave that may be accrued at any time shall be 1,440 hours.

b. Payment for Sick Leave Accruals at Time of Retirement. Upon retirement or twenty or more years of service, a regular status employee is entitled to receive a cash payment equal to 10 percent of his/her current total unused sick leave hours, multiplied by the employee's current base hourly rate.

c. Bonus for Non-Use of Sick Leave. The city manager or his/her designee may develop and implement a bonus program for non-use of sick leave within the city's budget constraints.

H. Unpaid Leave Programs.

1. <u>Holidays of faith, conscience or organized religious activities: To the extent required by RCW 1.16.050, as now or hereafter amended, employees are entitled to unpaid holidays for reasons of faith or conscience or for organized activity conducted under the auspices of a religious denomination, church or religious organization. The City Manager or his/her designee shall develop rules for administering this benefit.</u>

.

Section 2. This ordinance shall take effect and be in force five (5) days after passage and legal publication.

Section 3. The Human Resources Code amendments contained in Section 3.79.130H shall become effective June 12, 2014.

Passed by the City Council this _____ day of _____, 2014 and signed in authentication of its passage this _____ day of _____, 2014.

(SEAL)

_____
Claudia Balducci, Mayor

Approved as to form:

Lori M. Riordan, City Attorney

_____
Siona D. Windsor, Assistant City Attorney

Attest:

_____
Myrna L. Basich, City Clerk

Published _____