

**CITY OF NEWPORT
EMERGENCY ORDER NO. 2020-21**

**ENACTING AN
EMPLOYEE FURLOUGH POLICY**

WHEREAS, the Governor of the State of Oregon declared a state of emergency for the state on March 8, 2020, finding that COVID-19 created a threat to the public health and safety and constituted a statewide emergency; and

WHEREAS, the City of Newport declared an emergency on March 13, 2020, which was ratified by the City Council at its March 16, 2020 meeting; and

WHEREAS, the President of the United States signed a proclamation declaring a national emergency concerning COVID-19 on March 13, 2020; and

WHEREAS, local, state, and national public health agencies have instituted guidelines, recommendations, and actions to curb the spread of the disease in an attempt to “flatten the curve” of the disease’s progression in the United States. Many of those recommendations have been adopted by states and local governments across the country. In Oregon, the Governor has issued Executive Orders 20-03 through 20-20, and 20-22, 20-24, 20-25, 20-27, and 20-28 to address COVID-19 closures and reopening of certain facilities, limiting public gatherings, higher education restrictions, and other needs and requirements related to the COVID-19 pandemic; and

WHEREAS, the Governor has directed Oregonians to “stay at home to stay healthy” through physical and social distancing guidelines and the elimination of non-essential travel; and

WHEREAS, due to the COVID-19 pandemic, and the temporary closure of lodging facilities and many businesses, the City of Newport has suffered a budget shortfall; and

WHEREAS, due to the budget shortfall, the City of Newport has found it necessary to furlough employees in order to address the budget shortfall; and

WHEREAS, because of the financial impacts of COVID-19 on city operations, and the necessary furlough of staff, an Employee Furlough Policy is adopted.

I, Spencer R. Nebel, City Manager of the City of Newport, hereby order:

June 17, 2020 Approved an Employee Furlough Policy. A copy of the policy is included as Attachment A.



Margaret M. Hawker, Acting City Manager, on behalf of Spencer R. Nebel, City Manager

(The policy was approved by Spencer R. Nebel, City Manager on June 17, 2020. The emergency order was signed by Margaret M. Hawker, Acting City Manager on June 23, 2020, as the City Manager was on furlough the week of June 22, 2020.)



Employee Furlough Policy

POLICY NUMBER: COVID-19.7	EFFECTIVE DATE: June 16, 2020
REVISION DATE:	REVISION NUMBER:
CITY MANAGER APPROVAL: 	DATE: 06-17-20

This policy is to address the furlough of employees of the City of Newport during the COVID-19 Emergency. This policy will go into effect on the day it is released as an Administrative Policy and will remain in effect until December 31, 2020

Definitions

Full Furlough

A furlough is a mandatory unpaid leave of absence and inactive status for a continuous period of time resulting from the COVID-19 Emergency's significant financial impact on the city.

Partial Furlough

A partial furlough is mandatory intermittent unpaid leave for a specified number of days in a week or month resulting from the COVID-19 Emergency's significant financial impact to the city.

Essential Employee

An Essential Employee is an employee that is designated by the city to continue working during a State of Emergency. This is to ensure that the essential work of the city continues through the COVID-19 Emergency. This employee may be involved in the administration, infrastructure support, or the public safety aspects of the city.

State of Emergency

An action by the City of Newport City Council that introduces special measures such as increased powers to the City Administrator in order to act during an emergency incident that hampers the ability for the city to operate in a normal capacity.

Employee Benefit

A benefit including health, dental, life, disability, etc. for which an employee is covered per the adopted city Employee Policy Handbook.

Employee Portion of Benefits

The Employee paid portion of benefits that is normally withheld from a monthly paycheck per city policy.

COBRA Benefits

Consolidated Omnibus Budget Reconciliation Act (**COBRA**) allows employees to continue to receive **benefits** under their employer's group health plans after losing coverage due to a change in employment.

Unemployment Benefit

An allowance of money paid, usually weekly, to an unemployed worker by a state or federal agency or by the worker's labor union or former employer during all or part of the period of unemployment.

Paid Leave Benefits

Personal leave benefits are accruals such as vacation, sick, holidays, etc. that are outlined in the Employee Policy Handbook of the City of Newport.

POLICY

Employee Placed on Furlough

Full

An employee of the city may be placed on a full furlough when it is determined that they have not been designated as an essential employee of the city. The furlough period may last from May 15, 2020 until December 31, 2021, but may be extended based upon the time required for the city to recover from the Emergency."

Partial

An employee may be placed on a partial furlough even if it is determined they are designated as an essential employee of the city. The partial furlough period may be intermittent and last from May 15, 2020 until December 31, 2021, but may be extended based upon the time required for the city to recover from the Emergency."

Employees either exempt or non-exempt will be placed on furlough in one or two furlough days each week, a full week increment, or the entire furlough period at once.

Employees will be given as much advance notice of a furlough as possible. The City of Newport will provide written notice to employees to be placed on a furlough. The furlough notification letter will specify the terms of the furlough and may be used to apply for unemployment compensation, subject to state and local unemployment compensation laws.

During the furlough period, individuals are prohibited from performing any work for the City of Newport. All city-provided equipment must be returned to the city at the start of any full furlough period.

Health Benefits Continuation

Full

During the furlough period, furloughed employees are eligible to continue participation in healthcare benefits (medical and dental) through COBRA. The costs for these benefits will be covered by the employee.

Partial

During the furlough period, furloughed employees are eligible to continue participation in healthcare benefits (medical and dental). The employer portion of the cost for these benefits will continue to be covered by the City of Newport for the furloughed employee and the employee continues to be responsible to pay their portion of the monthly premiums.

Other Benefits and Deductions

During the furlough period, the furloughed employees will continue to receive all benefits allowable to employees as described in the Employee Handbook.

Employee elected benefits for which the employee pays 100% must continue to be covered by the employee. This includes supplementary medical or life insurances as well as flexible spending or dependent care accounts, and retirement savings account deductions. It is the responsibility of the employee to request cancellation of this coverage and deductions if they do not wish to continue them during furlough.

Full

Payments for these deductions will be taken from the last paycheck before the furlough begins for the period established in the furlough letter.

Partial

Payments for these deductions will continue to be taken from the employees paycheck for the period established in the furlough letter.

Health Savings Account

Unused money in a Health Savings Account (HSA or VEBA) is never forfeited. A furloughed employee's HSA account balance will remain available for use during and beyond the furloughed period.

Full

The employer contribution will not be made in January 2021.

Partial

The City of Newport will continue the deposit of the employer portion per the Employee Handbook.

Paid Time Off

Employees will not be allowed to apply any paid time to the furlough period.

Full

Accruals for paid time off will be suspended during a full furlough.

Partial

Employees on a partial furlough will continue to accrue paid time off at regular rates as stated in the Employee Handbook.

Shutdown Procedures

After notice of the furlough is given, but before it becomes effective, if time allows, the city may direct employees subject to the furlough to complete shutdown tasks, including but not limited to:

- Performing the tasks necessary to protect classified and confidential information, including listing of all papers to be accorded confidential status and accounting for all classified documents;
- Making necessary contacts outside the city to communicate status of operations;
- Canceling meetings, hearings, and other previously arranged city business; and
- Developing plans to hand off essential tasks to essential employees who have not been furloughed.

No Job Guarantee – Full Furlough

The city does not guarantee continued employment to employees the end of the furlough period. Furloughed employees will, however, be given priority when the city fills positions for a period of one year from the date of the start of the furlough period.

Other Employment

Outside employment may be accepted during furlough days if the work does not constitute a conflict of interest for the city. Furloughed employees who do not intend to return to a full work schedule at the City of Newport must notify Human Resources immediately.

Returning to Active Employment – Full Furlough

If the city returns a furloughed employee to active status on or before the furlough period's end date, the employee will be granted credit for prior service with the city in determining:

- Sick and vacation leave accrual rates
- Anniversary recognition eligibility
- Continuation of medical coverage
- Retirement

City of Newport Retirement Plan

Defined Benefit 2106 Plan Restatement – Section 6.02-3 (f)

During the periods of reduced Compensation because of such causes as illness, disability, leave of absence or layoff, Compensation shall be figured at the last regular rate before the start of the period.

PERS

Furloughs are treated, and recorded in the PERS system, as Leave without Pay (LWOP). The City will report the furloughs on the actual furlough days (reports as LWOP). Generally, if an employee takes only one day a month, it will not affect PERS service credit. If an employee takes 11 or more unpaid days in one month, then they would lose a month of credit." This means that if employees have to take one furlough

day a month or a week, it does not affect PERS credit. If the employee takes all 12-furlough days in one month, then they would lose a month of PERS credit.

Full

Benefit coverages will be reinstated per the provisions of the city's benefit plans in effect at the time the individual returns to regular full-time or part-time employment status at the city. Deductions will resume at their pre-furlough amounts.

City of Newport employees are required to return from furlough within three business days following notification from the city that work is identified. People who fail to return within that time period without contacting their supervisor will be considered absent without approved leave and will be terminated from employment.

Point of Contact

General questions regarding this policy can be directed to Human Resources.