



# City of Grand Island

Tuesday, December 22, 2020

Council Session

## Item I-4

### **#2020-351 - Consideration of the Severance Package for Golf Employees**

Staff Contact: Aaron Schmid, Human Resources Director

# Council Agenda Memo

**From:** Jerry Janulewicz, City Administrator

**Meeting:** December 22, 2020

**Subject:** Approval of Reduction of Force consideration for Joel Holling and Jeff Roscoe.

**Presenter(s):** Jerry Janulewicz, City Administrator

## Background

On December 8, 2020, the City Council approved a management agreement with Landscapes Golf Management, LLC (“Landscapes”) by which Landscapes contracted to manage and operate Jackrabbit Run Municipal Golf Course including the provision of all necessary employees and labor. On December 14, the City ceased utilizing City employees for operation of the course. Of the three City employees, one was eligible for retirement benefits provided by the City’s Personnel Rules and Regulations (“Rules”). Two employees who did not qualify for retirement benefits were laid off through a reduction of force directed by the City Administrator. The City Human Resources Department and Parks and Recreation Department proceeded to implement the Reduction of Force policy in Rule 3.04, which provides as follows:

RESIGNATIONS: To resign in good standing, an employee must give the Department Director written notice at least fourteen (14) calendar days prior to separation, unless the Department Director agrees to permit a shorter period. The employee must be in an active pay status on his/her final day of employment (i.e. cannot “vacation out”).

RETIREMENT: An employee may, but is not required to, retire on the first day of the month following his/her 65th birthday. Uniformed members of the Police and Fire Divisions shall be retired in accordance with the provisions of State Statutes covering retirement of these classifications.

Retired employees, except police officers and firefighters, shall, when eligible, receive a retirement distribution as allowed under plan document rules. Police officers and firefighters, when eligible, shall receive a pension as provided for by State statutes.

The Mayor may, at his/her discretion, grant an early retirement option under the general employee retirement savings plan upon the request of an employee. The

employee must be at least fifty-five (55) years of age and must have at least ten (10) years of participation in the employee retirement savings plan.

**REDUCTION IN FORCE:** Whenever it is determined to be in the best interest of the City to reduce its workforce, the Director of the affected department, the Mayor, or City Administrator will recommend the implementation of the reduction. Factors that will be taken into consideration shall include, but are not limited to:

- The employment policies and staffing needs of the department, together with contracts, ordinances, and statutes related thereto and budgetary considerations
- Required federal, state, or local certifications or licenses;
- Seniority;
- The performance appraisal of the employees affected, including any recent or pending disciplinary actions;
- The knowledge, skills and abilities of the employee;
- The multiple job skills recently or currently being performed by the employee;

Upon the receipt of the recommendation, a determination will be made as to the classifications to be affected by a reduction in force and the number of employees to be laid off. A determination as to whether any employees within a job classification should be exempted from consideration due to the existence of a required federal, state, or local certification, or license will also be made at this time.

**RECALL:** Employees laid off under this reduction in force policy shall be eligible for recall for a period of two (2) years after layoff. If, within two (2) years after layoff, a new position is opened within the reduced job classification for the department, the employee shall be recalled in the reverse order of layoff. After two (2) years, the employee will have no preference for rehire.

**CONSIDERATION GIVEN FOR RELEASE OF ALL CLAIMS AGAINST THE CITY:** Employees with one to four (1–4) years of continuous employment with the City whose employment is terminated by a reduction in force will be entitled to consideration equal to one (1) month's pay. Employees with five (5) or more years of service will receive one (1) month's pay plus one (1) week for each additional year of service with a maximum payout of twelve (12) weeks. Employees who retire or are terminated through disciplinary action will not receive this consideration. The Mayor may grant consideration in resignation cases when deemed appropriate. The Mayor may grant consideration greater than one (1) month's pay upon a determination that such action is in the best interest of the City.

## **Discussion**

This matter was placed on the City Council's agenda at the request of a member of the City Council. Former employees Joel Holling and Jeff Roscoe each signed waivers and releases of all claims they have or may have against the City as provided by Rule 3.04. Both former employees had more than five years of service with the City.

When separated from employment due to a reduction in force, Rule 3.04 provides each such employee "will receive one (1) month's pay plus one (1) week for each additional year of service with a maximum payout of twelve (12) weeks". Neither employee qualified for early retirement benefits under Rule 3.04. Their employment was not terminated due to resignations or disciplinary actions.

## **Recommendation**

City Administration recommends that the City Council approve the reduction of force payment to former employees Joel Holling and Jeff Roscoe as provided by Rule 3.04 of the City's Personnel Rules and Regulations.

## **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

## **Sample Motion**

Move to approve the resolution.

Memorandum for the Council Agenda on December 22, 2020

TO: All Councilmembers and Mayor

FROM: Councilmember Chuck Haase

SUBJECT: Consideration of the Severance Package for Golf Employees

The city staff have been deliberating for months now on how to proceed with the operation and management of “Jackrabbit Run” Golf Course, following the retirement of 43-year Contract Veteran and Golf Pro, Donald Kruse on October 20<sup>th</sup>.

The process included and RFP for a replacement golf pro, which failed to attract a single interviewed candidate. The option to replace Don as a City Employee (the issue raised by Councilmember Fitzke) was never presented as an option. This left us with the RFQ for Contract Management of the Golf Course, with Landscapes Unlimited providing the only proposal. The City Staff moved forward and placed the Contract Management of the Golf Course on the December 8<sup>th</sup> meeting, which was approved.

The City Administrator stated during the December 8<sup>th</sup> meeting that the City has encouraged the hiring of the 3 maintenance golf employees, but didn't require it in the contract language presented to Council at our meeting on the 8<sup>th</sup>.

Two days later, on December 10<sup>th</sup> at 8:24 p.m., the Council received an email from Aaron Schmidt, HR Director, stating the City would process these separations as a RIF (Reduction in Force), which allows them each 12 weeks of severance per the Personnel Rules. Within the hour, at 9:24 p.m., I emailed the Mayor my disagreement with Aaron Schmidt interpretation.

At Issue here, is the City using a reduction in force, when in fact, this is an unusual event, and to no one's knowledge or memory has this event occurred before for the City of Grand Island.

The positions of Golf Superintendent, Assistant Golf Superintendent, and Turf Management Specialist positions continue to exist at the City Golf Course, doing city work thru the Landscapes contract. All 3 of those positions are being paid 100% by the City with no risk to the Contractor. So, in reality, on Sunday all 3 were city employees working at the golf course, and on Monday the Superintendent retired, but the other 2 were hired in their same position, doing their same duties as they were in the prior day.

The City's statement of a Reduction in Force, never happened. There was no reduction in force, simply a job changed from an employee to the same person working thru a contractor for similar wages. The result of the City's severance request, is to pay the 2 employees 12 weeks of severance pay for the period of December 14, 2020 thru March 7, 2021. In addition, the City will pay 100% of these same 2 individuals' salary and benefits as a contractor for the period of December 14, 2020 thru March 7<sup>th</sup> and beyond. Thus, double paying these individuals with taxpayer money, having the same person on the payroll twice for the 12-week period.

My recommendation is the following.

- It is clear this event is unusual, so the staff should submit a policy recommendation to the Council to amend the Personnel Rules for in the event the City, as authorized by Council, makes future changes from an employee to a contractor doing the same or similar work.
- If the staff believes it appropriate, they should also submit under "Consideration given for release of all claims against the City" any compensation to paid during such an event, to the Council as an amendment to the Personnel Rules.

If the Severance would have been disclosed prior to the December 8<sup>th</sup> meeting, I would have motioned to amend the Landscapes Unlimited contract to require a mandatory hiring of these 3 individuals for a minimum period of 12 weeks. The

Contractor would not have objected since this was spending taxpayer money and not theirs. Due to the lack of prior disclosure, this option was removed.

While we recognize this is a change in the way we do business at the Golf Course, our goal has been, and will remain we take care of our employees the best fiscally sound way we can. Both the Asst Superintendent and Turf Management Specialists are fully employed in the same job they had before. They both actually have a promotion opportunity due to the Superintendent retirement. So, their ability to better themselves is not hindered, and if they perform good work, could be rewarded.

Councilmember Chuck Haase

RESOLUTION 2020-351

WHEREAS, on December 8, 2020, the Grand Island City Council approved a management agreement with Landscapes Golf Management, LLC (“Landscapes”) by which Landscapes contracted to manage and operate the City’s Jackrabbit Run Municipal Golf Course including the provision of all necessary employees and labor; and

WHEREAS, on December 14, the City ceased utilizing City employees for operation of the course; and

WHEREAS, of the three City employees employed at Jackrabbit Run Golf Course, one employee was eligible for retirement benefits provided by the City’s Personnel Rules and Regulations (“Rules”) and two employees who did not qualify for retirement benefits were laid off through a reduction of force directed by the City Administrator; and

WHEREAS, City of Grand Island Personnel Rules and Regulations Section 3.04 provides that City employees whose employment is terminated due to a reduction in force and who meet employment durational requirements will be entitled to receive financial consideration from the City in exchange for a release of all claims against the City; and

WHEREAS, former City golf course employees Joel Holling and Jeff Roscoe were laid off due to a reduction of force, met the employment durational requirements, and executed releases of all claims against the City, therefore satisfying the requirements of Rule 3.04 for receipt of consideration due to a reduction of force.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that former City employees Jeff Holling and Joel Roscoe shall receive the employee benefits provided by City of Grand Island Personnel Rules and Regulations Sec. 3.04 for employees who are laid off due to a reduction of force.

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Adopted by the City Council of the City of Grand Island, Nebraska, December 22, 2020.

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Roger G. Steele, Mayor

Attest:

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RaNae Edwards, City Clerk

Approved as to Form	▣ _____
December 18, 2020	▣ City Attorney