



City of Palo Alto
AT PLACES MEMORANDUM

To: City Council

Date: 4/6/2020

SUBJECT: AGENDA ITEM #1: UPDATE AND DISCUSSION OF THE COVID-19 HEALTH EMERGENCY AND THE CITY'S RESPONSE - COVID-19 STATE OF EMERGENCY LEAVE POLICY ISSUES

The purpose of this At-Places memo is to supplement the Workforce Update portion of the report titled "Update and Discussion of the COVID-19 Health Emergency and the City's Response" (Agenda Item 1). Options are presented for city council discussion and direction.

As the shelter-in-place order enters its fourth week, an issue that all organizations are grappling with is how best to address its impacts to our workforce. This includes challenges with worker productivity from home, the inability to continue some work during this state of emergency, and associated costs. Approaches being considered by employers have ranged from wholesale layoffs, to continuing prior pay and benefits irrespective of ability to work from home, and numerous intermediate strategies.

The choices among employer paid leave policies are complicated by the variety of positions and roles filled by City employees. These roles range from emergency first responders, to emergency responders that are only required to report to work when incidents occur, teleworkers that are largely able to complete their duties remotely, to teleworkers with very little ability to perform their normal duties remotely. All employees have the potential for redeployment as disaster service workers; however, the opportunities for redeployment largely involve physical presence and therefore may be in tension with the shelter-in-place order. Finally, employees have widely varying balances of accrued leave to draw upon. Setting leave policies for this range of circumstances is inherently challenging, and agencies in communities across the nation are wrestling with these issues.

As stated in the report, during the first shelter-in-place period through April 10, paid administrative leave has been a primary tool to bridge between an employee's ability to perform duties and their normal paid status (full time or hourly). The staff report for this item outlines the policies and implications on the workforce if no action is taken, below are alternative options for City Council consideration. As we move into the second period through May 3, and prepare for the possibility of further extension, the applicability of administrative leave diminishes. Furthermore, recognition of the severe financial impacts of the current public health emergency requires that the City's fiscal decisions during the state of emergency be made with an appreciation of the longer-term actions that may be required to support economic recovery after the emergency concludes.

City Council discussion and direction is requested on potential options:

(A) In order to minimize disruption to our workforce, the City could extend current practices into the extended shelter-in-place period. This would involve the City Council directing use of additional administrative leave authority to address the range of issues from directed absence from work to lack of duties suitable for remote work. The fiscal implications of this direction would be consistent with the overall impact reported for

COVID-19 in the current fiscal year. This is separate and distinct from the anticipated discussion of longer-term actions needed to address economic recovery expected as part of the budget deliberations in May and June.

(B) Should the City Council prefer a more targeted approach, staff is prepared to advance a set of policies for approval at next week's City Council meeting:

1. For employees required to physically report to work for essential duties: A primary need for leave during the state of emergency for these employees is due to illness, suspected illness, or potential exposure. Given the difficulty in confirming whether illness or exposure is job-related, where necessary these employees will be paid administrative leave for any related time off.
2. For employees required to physically report to work for essential duties on a less-than fulltime basis: Such employees are currently working partial schedules due to rotation of crews to reduce potential exposure, on standby for emergency response, or suspension of routine work. These employees will be paid administrative leave for any time directed to shelter in place and not report to work.
3. Employees not involved in duties that require physically reporting to work will continue their duties remotely to the extent possible. These employees may be assigned other work as disaster service workers in another City division/department or with community partners. Such tasks may include activities such as monitoring City open space preserves, meal deliveries, support to healthcare or childcare operations, or assisting small businesses with completing aid applications. Absent such reassignment, employees may use their accrued leave balances to remain in fully paid status and, when those are exhausted, will be on unpaid status. Absent a change in City health benefit eligibility rules, employees who are on unpaid status or who drop below full-time may lose health coverage.
4. Some employees may qualify for benefits under the Families First Coronavirus Relief Act (FFCRA). Once administrative guidance for applicability of these benefits are defined, these employees can choose to take leave under FFCRA. The City may be able to supplement the pay provisions under FFCRA once employees have exhausted their own accrued leave balances.

The City will seek relief for all administrative leave expenses from any applicable source, such as FEMA or workers' compensation. Staff will be reaching out to our labor organizations to begin conversations about these issues as well.

Although the economic devastation from this global pandemic and direct impacts to the City's finances are a formidable challenge that are certain to require major budget reductions upon return from the shelter in place orders, Council may find value in providing the supplemental leaves described above. The additional leaves allow employees to stay home while sick or to provide care for their household while shelter in place orders are in effect. Providing flexible leave policies and full pay when possible is consistent with the CDC guidelines for employers.

Should Council wish to proceed with such action, direction is required to agendize this matter for the next Council meeting on April 13, 2020, or at a special meeting prior to April 13. At that time, Council may consider providing the City Manager the authority to specify and implement the leave policies described above. It should be noted that managers will first coordinate with employees to adjust schedules, provide telework and make other adjustments to avoid the need for paid leaves.

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Ed Shikada

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Ed Shikada, City Manager