



Meeting Date:	August 24, 2026
Submitter:	Ashley Monroe, Assistant City Administrator/HR Director
Department:	Administration / Human Resources
Agenda Item:	2026 Employee Handbook Summary of Proposed Updates – Part 2 – Policy Recommendations

Summary: On July 27, 2026, staff presented approximately half of the recommended changes to the Employee Handbook during the Work Session. Those changes primarily addressed legal recommendations resulting from changes in State and Federal law. During that Work Session, there were few questions about the legal requirements, but Council members requested additional discussion regarding several operational and policy-related recommendations. This memo summarizes the remaining proposed changes for Council discussion.

This memo includes a broad summary overview of concepts and recommendations for adjustments, additions, or deletions to the existing Employee Handbook.

Representation from our City labor attorney Melissa Wolf, of Storino, Ramello, & Durkin will also be present to provide clarifications as needed, related to these requests for policy changes.

The draft policy language will be presented for an upcoming Work Session based upon policy direction on the items included in this memo. Those policies, as well as minor cleanup will be included/shown in the final redline version of the Handbook update.

Summary of Proposed Policy Changes

- 1. Add a High-Deductible Health Plan (HDHP) with Health Savings Account (HSA) option (Administrative Policy)**
This will save both the City and the employees money, reduce the City's liabilities, and give the City an additional offering to discuss with our upcoming union negotiations.
- 2. Add Health Insurance Opt-Out Benefit (Proposed addition to Handbook Section 7, Insurance & Other Employee Benefits)** This will encourage employees or their dependents to consider not being on the City's plan. Thus, saving the City money and possibly claims. The City would use some of the money we'd pay for the employees' insurance, and annually (or triggered by a qualifying event) offer a financial benefit, which would be paid out with each paycheck, and not as a lump sum.
- 3. Add a Limited Pilot Flexible Work Program Thru April 30, 2027 (Proposed addition to Section 3 – Recruitment & Employment)** This proposed program would allow less than 15 exempt management employees the ability to request occasional remote work. Most of these positions

have employees that already work more than 40 hours per week and allowing them to ask their director or City Administrator for approval to occasionally work a few hours remotely is a retention tool that also allows work to continue to get completed.

Eligible positions include: the Police Chief, Deputy Chiefs, Finance Director, Community and Economic Development Director, Building Commissioner, Public Works Director, Public Works Superintendents, Engineering Director, HR/Assistant Administrator, and City Administrator (with Mayor approval).

4. **Add Basic Artificial Intelligence (AI) Use Policy (Proposed addition to Section 11 – Communications)** As more software includes AI tools, having a basic use policy that puts restrictions and guardrails is a recommended best practice.
5. **Updates to Employee Workdays, Clocking In/Out, and Break Periods (Proposed revisions to Sections 4.2 Work Day, 4.8 Meal and Break Periods, 5.2 Code of Conduct)** Management is proposing minor revisions to clarify what would result in discipline.

Additionally, HR is seeking clarification from City Council on the normal working hours and current directors' discretion (+/- 1 hour). Does City Council want to keep the language as is? Does the City Council want to change and give the discretion from the directors to the City Administrator? Or does the City Council want to set the hours and give management no flexibility, except for emergencies?

6. **Update Overtime Payment Examples (Proposed revisions to Section 4.9 Overtime Payment)** The current policy is legally sound; however, the examples are not clear. Our labor attorney recommends changes.
7. **Update to Confidential Policy (Proposed revision to Section 5.7 – Confidentiality Policy)** With the City Council recently creating a confidentiality policy for elected and appointed officials, the City's labor attorney recommends a few revisions to ensure consistency throughout the City.
8. **Update Personnel Forms and Program (Proposed update to Section 16 – Forms)** Although the current City Administrator feels the forms and program need revisions, to follow City Council's 2024 voted on direction, this section needs to be updated.

Additionally, a new section needs to be added stating that employees hired or promoted after July 1, 2025, will be annually evaluated for possible merit adjustments using their hire date, or promotion date – if ever promoted. (Note a change in a positions' classification does not result in a change to the annual evaluation period.)

9. **Updates in Equipment & Safety Sections (Proposed revisions & addition to Section 9 Safety & Equipment Use)** These adjustments more clearly spell out a policy for use of personal equipment and appliances as well as the City's requirements for use of a City vehicle.
10. **Updates to Travel & Meal Reimbursement Policy (Proposed revision to Section 10 – Training & Development)** While receipts will remain a requirement, the updates will reflect the newer Illinois Local Government Travel Expense Control Act and updates to the federal meals and incidental expenses (M&IE) rates.