



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of July 27, 2026

Title/Subject

Resolution No. 2438 – Updating the Employee Handbook

Summary and Background

Staff regularly reviews our employee handbook to keep it current with applicable laws and to stay competitive with our policies and compensation package for our employees. This year we did a more complete review than last year and so there are a number of proposed changes that would change the benefit package as well as some changes dictated to us by the State of Oregon.

Following is a summary of the major changes:

- Page 19, 64 – Removing the EAP program
 - No employees have used this program for at least the last two years. CIS is now itemizing this cost and in an effort to minimize our insurance costs we are removing this as a benefit at this time.
- Page 30-31 – Travel Car usage policy
 - This policy encourages the use of a city-owned vehicle for city related travel. It provides for an alternative reimbursement if employees choose not to utilize a city vehicle.
- Page 31 – Paid travel time policy
 - Clarifies that if employees are traveling on a city-related trip they are all being paid regardless of driving status.
- Page 33 – Bi-lingual pay policies
 - Clarifies that if employees are receiving bilingual pay then they are expected to use those bilingual abilities to support effective communication.
 - Clarifies that employees are required to maintain their language capabilities to keep receiving the pay incentive.
 - Adds based on state law that we will pay someone bilingual pay for their proficiency in American Sign Language.
- Page 33 – Longevity Pay
 - Establishes rates of incentive pay for employees with 10 (2%), 15 (3%), and 20 (4%) years of experience.
 - This shows that the city values long-serving employees and hopefully is an incentive for employees to stay and work for us for longer periods of time.

- Page 37 – Vacation Policy
 - Clarifies policy related to taking vacation within the first six months on the job. It provides supervisors with the opportunity to grant unpaid leave on a case-by-case basis.
- Page 41 – Sick Leave
 - Adds an additional relationship that can be considered a family member (child over 18 with substantial physical or mental impairment).
 - Adds the ability to take up to four (4) hours of sick leave per calendar year to donate blood.
- Page 42 – Worker's Compensation
 - Clarifies that the City will, during the first 90 days, pay the difference between the Worker's Comp payment and an employee's net salary – after 90-days the employee may use accrued leave to supplement.
- Page 44 – Employee Days to Personal Days
 - Changes the name of an employee day to a personal day
- Page 45 – Holidays
 - Adds two days as paid holidays.
 - Day after Thanksgiving
 - Christmas Eve Day
 - Really it only adds a half day some years.
- Page 46 – Donated Leave
 - Reduces the amount of donated leave from 600 hours to 120 hours.
 - Allows the City Manager discretion related to allowing more donated leave.
- Page 47 – Oregon Family Leave Act (OFLA)
 - Clarifies when OFLA can be used related to a child under the age of 18.
- Page 53 – Paid Leave Oregon
 - Placed language implementing the City's own Paid Leave Oregon plan.
- Page 66 – Deferred Compensation Plans
 - Implements a 1% City contribution to a 401a Retirement Plan.
 - Removes matching language for our existing Deferred Compensation Plans
- Page 73 – Animals in the Workplace
 - Implements an animals in the workplace policy.
- Page 74 – Employee Parking
 - Establishing the ability for managers to designate employee parking areas.
- Page 75 – Cell Phone Stipend
 - Increase the stipend for use of a personal cell phone for work from \$40 to \$50.
- Page 82 – Workplace Inspections
 - Clarifies that the City can inspect offices, etc. when necessary.
- Page 90-91 – Artificial Intelligence (AI) Policy
 - Implements a basic AI use policy.

I have also included with this report a letter from the Hermiston Police Association (HPA) supporting the longevity pay and the Deferred Compensation changes. These were changes we implemented first in the last update to our Collective Bargaining Agreement with HPA.

Tie-In to Council Goals

N/A

Fiscal Information

Following is a summary of the financial impacts:

- Page 19, 64 – Removing the EAP program
 - Saves approximately \$3,200 per year
- Page 30-31 – Travel Car usage policy
 - Difficult to estimate financial impact
 - Reduces reimbursement from \$0.72 per mile to \$0.20 per mile.
- Page 31 – Paid travel time policy
 - Difficult to estimate financial impact
- Page 33 – Bi-lingual pay policies
 - Difficult to estimate financial impact
- Page 33 – Longevity Pay
 - Non-union annual cost - \$124,374
- Page 37 – Vacation Policy
 - Difficult to estimate financial impact
- Page 41 – Sick Leave
 - Difficult to estimate financial impact
- Page 42 – Worker's Compensation
 - No financial impact (codifying current practice)
- Page 44 – Employee Days to Personal Days
 - No financial impact
- Page 45 – Holidays
 - No financial impact (codifying current practice)
- Page 46 – Donated Leave
 - No financial impact
- Page 47 – Oregon Family Leave Act (OFLA)
 - Difficult to estimate financial impact
- Page 53 – Paid Leave Oregon
 - Reduces City contribution by ~\$54,600
 - Reduces Employee contribution by ~\$81,900
- Page 66 – Deferred Compensation Plans
 - Non-union annual cost \$89,506
- Page 73 – Animals in the Workplace
 - No financial impact
- Page 74 – Employee Parking
 - No Financial impact
- Page 75 – Cell Phone Stipend
 - Approximately \$4,500
- Page 82 – Workplace Inspections
 - No Financial impact
- Page 90-91 – Artificial Intelligence (AI) Policy
 - No Financial impact

Alternatives and Recommendation

Alternatives

1. Adopt Resolution No. 2438
2. Amend Resolution No. 2438
3. Reject Resolution No. 2438

Recommended Action/Motion

Motion to adopt Resolution No. 2438 as proposed

Submitted By:

Byron D. Smith

Crystal Inners