

**Archived:** Monday, June 22, 2020 4:48:56 PM  
**From:** [John Norris](#)  
**Sent:** Monday, June 22, 2020 4:44:16 PM  
**To:** [Will Hall](#)  
**Cc:** [Debbie Tarry](#); [Pollie McCloskey](#); [Donald Moritz](#)  
**Subject:** FW: Financial impacts of handbook updates  
**Response requested:** No  
**Sensitivity:** Normal

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Will,

Please see responses from staff to your questions below in red. We will also put this in the Green Folder for tonight. Thanks.

John

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**From:** Will Hall <[whall@shorelinewa.gov](mailto:whall@shorelinewa.gov)>  
**Sent:** Monday, June 22, 2020 2:44 PM  
**To:** Debbie Tarry <[dtarry@shorelinewa.gov](mailto:dtarry@shorelinewa.gov)>; John Norris <[jnorris@shorelinewa.gov](mailto:jnorris@shorelinewa.gov)>  
**Cc:** Pollie McCloskey <[pmccloskey@shorelinewa.gov](mailto:pmccloskey@shorelinewa.gov)>  
**Subject:** Financial impacts of handbook updates

The staff report says the impacts can't be quantified at this time, but I know you have specific cases already in mind. I want to respect the privacy of the individuals, and I also want a reasonable estimate. Please be prepared to respond to a question about how much it might cost in a year when we have to [shut down a major program or separate several long-time staff or something like that]. I'm happy to phrase the question in a hypothetical or different way if it works better for you.

The cost of severance amounts for the program closure of the Shoreline Pool currently being proposed is as follows:

Payout based on Current Severance Package	Payout based on Proposed Severance Package	Difference (Increase in cost)
\$34,439	\$49,465	\$15,026

Also, please explain the statement in the staff report that "the tangible and intangible benefits afforded the City by providing a generally more robust severance package is believed to outweigh the costs". Have we ever had a problem recruiting or retaining staff due to lack of a more generous severance package? Do you have any data or studies to show that providing a more generous severance package provides benefits to the city and to the employees who remain following a layoff?

Staff have not surveyed employees or candidates for employment on the specific subject of their satisfaction with the City's current severance package. Thus, we are not able to answer the question about having a problem with recruiting or retaining staff due to lack of a more generous severance package. Generally, staff have not had a problem recruiting or retaining staff to work at the City, so staff does not feel that this is a problem generally. Similarly, staff does not have any data or studies to show that providing a more generous severance packages provides benefits to the City. In staff's opinion, the intangible benefits received from providing a more robust severance package are the positive feelings created in those employees who remain in the workplace following a layoff (those not laid off) based on their perception of whether the employer treated people in a fair and supportive manner. If the remaining employees believe that the City is treating laid off employees well, they are more likely to have positive feelings about the employer. This increases employee morale, employee engagement, and employee good will. A common question used to measure employee engagement is "would you recommend this employer to your friends or family member as a good place to work". An employee's response to this question is based on how they feel the employer treats them and other employees. The tangible benefits would be in the areas of recruitment and retention of employees based on the overall satisfaction with pay and benefits. The severance package is considered part of the overall benefits available to employees.

Also, can I get an estimate of how much the city pays annually for unemployment insurance? It's my understanding that if we lay off employees, they are eligible for unemployment (I know that generally is not 100%). How many weeks can they get unemployment benefits?

The City is self-insured for unemployment and we pay unemployment based on claims submitted. In 2018, the City paid out \$15,507 in claims. In 2019, we paid out \$21,932 in claims. Staff anticipates claims in 2020 to be higher based on the COVID-19 closure. Standard unemployment benefits are for up to 26 weeks. Legislation in response to COVID-19 provides for an additional 13 weeks of unemployment. This extension is through the end of 2020. Regular unemployment provides for a maximum weekly benefit of \$790 and minimum benefit of \$188. COVID-19 additional benefits (through July of 2020) provides for an additional \$600 per week. Unemployment benefits are based on a specific calculation, but in general provides approximately 45% of what the employee would normally get paid.

And when did we adopt the 4-week severance package? Is there a staff report or council discussion I can refer back to?

The current severance policy was adopted on June 27, 2011 via Resolution No. 314. The Staff Report for this Council action can be found at this link: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/Council/Staffreports/2011/Staffreport062711-7c.pdf>

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