

CITY COUNCIL REPORT



Meeting Date: **October 24, 2023**
Charter Provision: ***Provide for the orderly government and administration of the affairs of the City***
Objective: ***Scottsdale Municipal Code Amendment – Paid Parental Leave***

ACTION

ADOPT ORDINANCE NO. 4611, AN ORDINANCE OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY TO APPROVE AN AMENDMENT TO CHAPTER 14, "HUMAN RESOURCES MANAGEMENT," OF THE SCOTTSDALE REVISED CODE BY ADDING SECTION 14-91 TO PROVIDE FOR PAID PARENTAL LEAVE.

BACKGROUND

Through the 2023-24 budget process, Council approved funding for a paid parental leave program. The new benefit provides eligible employees up to four weeks of paid leave time for the birth, adoption or placement of a child. Scottsdale Municipal Code provides for certain paid leave and this amendment will add paid parental leave to the code.

In order to be eligible for this paid leave benefit, employees must be eligible for the Family and Medical Leave Act (FMLA). Paid parental leave runs concurrent with FMLA and provides 100% of an employee's base salary. If both parents are employed with the City, both employees are eligible for paid parental leave.

The paid parental leave benefit is being implemented as an enhancement to the City's comprehensive benefits program in an effort to be competitive with other Valley cities that are offering paid parental leave benefits. The benefit also recognizes the City's efforts to be inclusive and supportive of all families and employees' needs as parents.

FISCAL IMPACTS

Council has approved paid parental leave during the budget process. The amount budgeted for FY 2023/2024 is \$584,164.

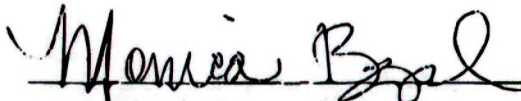
STAFF RECOMMENDATION

Staff recommends approval of the amendment of the Scottsdale Municipal Code to incorporate paid parental leave.

STAFF CONTACT

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APPROVED BY



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9/12/23

Date



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9/21/2023

Date



Sonia Andrews, City Treasurer
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9/21/23

Date

Jim Thompson

Jim Thompson, City Manager
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9/22/23

Date

ATTACHMENTS

1. Ordinance No. 4611
2. Scottsdale Municipal Code, Chapter 14 Human Resources Management/Article V. - Leave

ORDINANCE 4611

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AMENDING CHAPTER 14, HUMAN RESOURCES MANAGEMENT, OF THE SCOTTSDALE REVISED CODE BY ADDING SECTION 14-91 TO PROVIDE FOR PAID PARENTAL LEAVE.

WHEREAS, the City wishes to amend the Scottsdale Revised Code to provide paid parental leave for eligible employees.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Scottsdale as follows:

Section 1. Section 14-91 is a new section and shall read as follows:

14-91 – Paid parental leave.

- (a) An employee who is eligible for leave under the Family and Medical Leave Act (FMLA) is entitled to leave with pay for four (4) weeks for the birth of a child or placement of a child with the employee for adoption or foster care.
- (b) If both parents are employees of the City and eligible for paid parental leave, each parent is eligible for four (4) weeks of paid parental leave.
- (c) Paid parental leave runs concurrent with FMLA leave.

Section 2. This leave benefit is effective September 24, 2023. Paid parental leave is not available for a birth, adoption or placement of a child that occurs prior to September 24, 2023.

PASSED AND ADOPTED by the Council of the City of Scottsdale this ____ day of _____, 2023.


CITY OF SCOTTSDALE, an Arizona
municipal corporation

ATTEST:

Ben Lane, City Clerk

David D. Ortega, Mayor

APPROVED AS TO FORM:



Sherry R. Scott, City Attorney
By: William Hylen
Senior Assistant City Attorney

ARTICLE V. LEAVE

ARTICLE V. LEAVE**Sec. 14-81. Holidays.**

- (a) These are the designated city holidays:

New Year's Day, January 1.

Martin Luther King, Jr. Day, third Monday in January.

President's Day, third Monday in February.

Memorial Day, last Monday in May.

Juneteenth Day, June 19.

Independence Day, July 4.

Labor Day, first Monday in September.

Veteran's Day, November 11.

Thanksgiving Day, fourth Thursday in November.

Day after Thanksgiving Day.

Christmas Day, December 25.

Floating holiday, to be taken at any time during the fiscal year subject to the employee's supervisor's approval.

- (b) Juneteenth Day, Independence Day, Veteran's Day, Christmas Day and New Year's Day falling on:

(1) Saturday is observed on Friday before the holiday, and

(2) Sunday is observed on Monday after the holiday.

- (c) For holiday pay, see premium pay.

(Ord. No. 1837, § 1(Art. 5, § 501), 6-15-87; Ord. No. 2234, § 1, 5-1-89; Ord. No. 2365, § 1, 6-3-91; Ord. No. 2868, § 22, 3-4-96; Ord. No. 3617, § 6, 5-17-05; Ord. No. 3940, § 1(Res. 8649, Exh. A, § 2), 5-3-11; Ord. No. 4352, § 1, 8-28-18; Ord. No. 4539, § 1, 4-5-22)

Sec. 14-82. Vacation.

- (a) Regular full-time and probationary employees, accrue annual vacation as set forth below.

Years of Service	Hours Earned Per Month	Hours Earned Per Year	Maximum Carryover
0 to 4	10.3	123.6	247.2
5 to 9	12.7	152.4	304.8
10 and over	15	180	360

- (b) For an employee employed by the City on December 31, 2011 who had fifteen (15) or more years of service and who had already accrued more vacation hours than can be carried over (up to and including four

hundred two (402) vacation hours), the city placed the accrued carryover vacation hours above the maximum of 321.6 hours into a separate account. (Example: for an employee with fifteen (15) or more years of service and four hundred two (402) accrued vacation hours by December 31, 2011, the city placed 80.4 grandfathered hours into a separate account). The employee will receive the value of the grandfathered hours in the separate account when the employee leaves the city, unless the employee has already used the hours.

- (c) Fifty-six (56) hour fire employees, accrue annual vacation as set forth below.

Years of Service	Hours Earned Per Month	Hours Earned Per Year	Maximum Carryover
0 to 4	14.4	172.8	345.6
5 to 9	17.8	213.6	427.2
10 and over	21	252	504.0

- (d) Regular part-time employees accrue annual vacation as set in forth in applicable administrative regulations.
- (e) Vacation hours continue to accrue during any leave with pay.
- (f) All vacations are subject to the prior approval of the employee's supervisor, applicable administrative regulations, and the operational needs of the employee's department. In an emergency, vacations may be postponed or cancelled, or an employee may be recalled from vacation.
- (g) Termination of employment before an employee works six (6) months voids accrued vacation.
- (h) Upon termination after working six (6) months, an employee will be paid for unused accrued vacation. The employee will be paid for:
- (1) Unused carry over vacation, and
 - (2) Any unused vacation accrued from January 1 to the last day of employment in the employee's last year.
- (i) If the city council appropriates funds in the annual budget, employees who have been employed by the city for five (5) or more years and who have used at least eighty (80) hours of vacation (112 hours for Fire fifty-six (56) hour employees) during the approved eligibility period, may elect to trade up to forty (40) hours (56 hours for Fire fifty-six (56) hour employees) of vacation for equivalent compensation.
- (j) Eligible employees may donate vacation leave to other qualified employees who have a serious illness or injury, or to care for a family member with a serious illness or injury. To receive donated leave an employee is required to exhaust all available paid leave. Only those hours needed by the recipient employee will be subtracted from the donor's accrued bank of hours. All other requirements set forth in administrative regulations must also be followed.

(Ord. No. 1837, § 1(Art. 5, § 502), 6-15-87; Ord. No. 2446, 4-20-92; Ord. No. 2868, § 23, 3-4-96; Ord. No. 3617, § 6, 5-17-05; Ord. No. 3940, § 1(Res. 8649, Exh. A, § 3), 5-3-11; Ord. No. 4017, § 1(Res. No. 9051, Exh. A, § 11), 5-15-12; Ord. No. 4205, § 1(Res. No. 10128, § 1), 6-2-15; Ord. No. 4352, § 1, 8-28-18; Ord. No. 4462, § 8, 6-30-20; Ord. No. 4512, 7-2-21; Ord. No. 4554, § 1, 6-21-22)

Sec. 14-83. Medical leave.

- (a) *Accrual rate.*

- (1) Regular full-time and probationary employees on active pay status accrue eight (8) hours of medical leave each month.

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- (2) Fifty-six (56) hour fire employees on active pay status accrue eleven and two tenths (11.2) hours of medical leave each month.
 - (3) Part-time, temporary, or job share employees accrual rates will be stated in the city's administrative regulations.
 - (4) Medical leave may be taken only after accrued.
- (b) *Accrual unlimited.* An employee may accrue an unlimited number of medical leave hours.
 - (c) *Employee illness/physical incapacity while on vacation.* If an employee becomes ill or physically incapacitated while on vacation, the time the employee is ill or physically incapacitated may be charged to medical leave.
 - (d) *Reasons for medical leave.* Paid medical leave is granted to eligible employees for:
 - (1) Medical, mental or physical illness, injury, health condition, or need for medical care of the employee or the employee's family member, which can include time necessary as a result of a public health emergency or abuse or stalking and as more fully provided by law and city policy, including the city's administrative regulations.
 - (e) *Reasonable documentation.* A supervisor may require reasonable documentation only if the employee is on medical leave for three or more consecutive workdays. Reasonable documentation is documentation signed by a healthcare professional indicating that the medical leave is necessary. In cases of abuse or stalking, reasonable documentation is that which is more fully set forth by law and the city policy, including the city's administrative regulations.
 - (f) *Written release.* The city may require a written release to return to work from the employee's healthcare professional, or a physician retained by the city, as applicable, before an employee may return to work.
 - (g) *Serious health conditions.* The city shall comply with the Family and Medical Leave Act regarding leave for serious health conditions. In general, a serious health condition is an illness, injury, impairment, or physical or mental condition that involves:
 - (1) Any period of incapacity or treatment connected with inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility; or
 - (2) A period of incapacity requiring absence of more than three calendar days from work that also involves continuing treatment by a health care provider; or
 - (3) Any period of incapacity due to pregnancy, or for prenatal care; or
 - (4) Any period of incapacity (or treatment therefore) due to a chronic serious health condition; or
 - (5) A period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective; or,
 - (6) Any absences to receive multiple treatments (including any period of recovery therefrom) by, or on referral by, a health care provider for a condition that likely would result in incapacity of more than three consecutive days if left untreated.
 - (h) *Medical leave at retirement.*
 - (1) "*Retirement*," as used in this section, means the time an employee draws monthly retirement benefits from the Arizona State Retirement System (ASRS) or Public Safety Personnel Retirement System (PSPRS), if that time begins within sixty (60) days after the employee leaves the city. If an employee does not draw monthly retirement benefits from ASRS or PSPRS within sixty (60) days after the employee leaves the city, the employee forfeits the employee's medical leave benefits in this section with the exception of employees defined as Tier 3 by PSPRS (hired on or after July 1, 2017), who elected not to participate in the PSPRS defined benefit or hybrid plan when newly hired. For the Tier 3

employees who were offered the PSPRS defined benefit or hybrid plan, but opted for the PSPRS defined contribution plan, retirement means when retirement is elected by the employee provided the employee is also age 55 or older and has at least 15 years of credited service.

- (2) Eligibility for the medical leave benefits in this section depends on an employee retiring as defined in (h)(1) above.
- (3) An employee who accrues medical leave before September 6, 1976 will receive the value of that accrued unused medical leave at one hundred (100) percent of the employee's hourly base rate at the time of retirement. Hours of unused medical leave accrued before September 6, 1976 are included in the first five hundred twenty (520) hours of unused medical leave set forth in (h)(4) below.
- (4) An employee hired before July 1, 1982 receives the value of unused medical leave as follows: The value is based on the employee's average hourly base rate for the five (5) years immediately preceding retirement. The amount is equal to fifty (50) percent of the first five hundred twenty (520) hours of unused medical leave plus twenty-five (25) percent of unused medical leave in excess of five hundred twenty (520) hours.
- (5) An employee hired before July 1, 1982, who retires with three hundred (300) or more hours of unused medical leave, the city will calculate the value of the employee's medical leave balance and the taxable portion with appropriate taxes deducted will be paid in the employee's final paycheck, and the non-taxable portion will be deposited into the employee's Retirement Health Savings (RHS) account, which can be used to pay for medical insurance premiums after retirement and other allowed medical expenses.
- (6) An employee hired on or after July 1, 1982 will not be paid cash for unused medical leave. An employee who retires with three hundred (300) or more hours of unused medical leave receives the value of the unused medical leave as follows: The value is based on the employee's hourly base rate at the time of retirement. The amount is equal to one hundred (100) percent of the unused medical leave.
- (7) As of July 1, 2011, an employee, except a fifty-six (56) hour fire employee, who retires with three hundred (300) or more hours of unused medical leave receives the value of unused medical leave as follows:
 - a. The employee will receive the value of all unused medical leave accrued before July 1, 2011 at one hundred (100) percent of employee's hourly base rate at the time of retirement, and
 - b. If an employee has not accrued twelve hundred (1,200) hours of medical leave before July 1, 2011, the employee will receive the value of unused medical leave accrued after July 1, 2011 at fifty (50) percent of employee's hourly base rate at the time of retirement, up to and including twelve hundred (1,200) hours accrued both before and after July 1, 2011.
- (8) As of July 1, 2011, a fifty-six (56) hour fire employee, who retires with four hundred twenty (420) or more hours of unused medical leave receives the value of unused medical leave as follows:
 - a. The employee will receive the value of all unused medical leave accrued before July 1, 2011 at one hundred (100) percent of employee's hourly base rate at the time of retirement, and
 - b. If an employee has not accrued sixteen hundred eighty (1,680) hours of medical leave before July 1, 2011, the employee will receive the value of unused medical leave accrued after July 1, 2011 at fifty (50) percent of employee's hourly base rate at the time of retirement, up to and including sixteen hundred eighty (1,680) hours accrued both before and after July 1, 2011.
- (9) For employees affected by (h)(7) and (h)(8) above, the city will place unused medical leave accrued before July 1, 2011 into a grandfathered account, and medical leave accrued on and after July 1, 2011, into a new account. When medical leave is used, the city will deduct hours from the new account first.

- (10) For eligible employees, the city will deposit the non-taxable portion of the value into a retirement health savings account (RHSA). RHSAs may be used for medical insurance premiums or any "qualified medical expense," as that term is defined by the Internal Revenue Service.
- (11) On and after July 1, 2011, an employee, except a fifty-six (56) hour fire employee, who retires as defined in (h) (1) above, and retires with less than three hundred (300) hours of unused medical leave forfeits the employee's medical leave benefits in this section. On and after July 1, 2011, a fifty-six (56) hour fire employee who retires as defined in (h)(1) above, and retires with less than four hundred twenty (420) hours of unused medical leave forfeits the employee's medical leave benefits in this section.
- (12) Medical leave benefits at retirement for part-time employees are as set forth in applicable administrative regulations.
- (i) Medical leave benefit from death arising out of and in the course of employment. If an employee who is eligible to retire as defined in (h)(1) above and dies as a result of an "accident arising out of and in the course of employment," as that phrase is explained in Arizona Revised Statute 23-1021, the city will pay the employee's designated beneficiaries the employee's accrued medical leave balance at the time of death.
- (j) *Example before July 1, 2011.* Examples of cash payments for accrued medical leave for regular full-time employees:

- (1) Employee hired after September 7, 1976, with one thousand (1,000) hours:

Hours	Cash Allowance	Salary at Retirement	Average 5-Year Salary	Medical Leave Value Amount
520	50%	N/A	\$15.00/hour	\$3,900.00
480	25%	N/A	\$15.00/hour	1,800.00
				\$5,700.00

- (k) *Examples after July 1, 2011.* Examples of value of accrued medical leave for regular full-time employees:

- (1) Employee hired on or after July 1, 1982, with twelve hundred (1,200) hours accrued before July 1, 2011, and two hundred (200) hours accrued after:

Hours	Value	Salary at Retirement	Medical Leave Value for RHSA
1,200	100%	\$17.00/hour	\$20,400.00
200	0	\$17.00/hour	0
			\$20,400.00

- (2) Employee hired on or after July 1, 1982, with three hundred (300) hours accrued before July 1, 2011, and twelve hundred (1,200) hours accrued after:

Hours	Value	Salary at Retirement	Medical Leave Value for RHSA
300	100%	\$17.00/hour	\$5,100.00

1,200 (reduced to 900 because of 1,200 hour cap)	50%	\$17.00/hour	7,650.00
			\$12,750.00

(Ord. No. 1837, § 1(Art. 5, § 503), 6-15-87; Ord. No. 2284, 6-4-90; Ord. No. 2868, § 24, 3-4-96; Ord. No. 3617, § 6, 5-17-05; Ord. No. 3846, § 1, 5-19-09; Ord. No. 3940, § 1(Res. 8649, Exh. A, § 4), 5-3-11; Ord. No. 4022, § 1, 5-15-12; Ord. No. 4205, § 1(Res. No. 10128, § 1), 6-2-15; Ord. No. 4313, § 1(Exh. A), 6-13-17; Ord. No. 4352, § 1, 8-28-18)

Sec. 14-84. Reserved.

Editor's note(s)—Ord. No. 3940, § 1(Res. 8649, Exh. A, § 5), adopted May 3, 2011, repealed § 14-84, which pertained to personal leave. See also the Code Comparative Table.

Sec. 14-85. Worker's compensation.

- (a) Employees are covered by the city under the Arizona State Worker's Compensation Act against injuries, illness or disease occurring in the course of city employment. The law provides for payment of all medical and hospital expenses, and, under certain circumstances, compensation for loss of income.
- (b) When an employee is absent from work as a result of any injury, illness or disease which is compensable under the Arizona Worker's Compensation Act, the absence is considered industrial accident leave.
 - (1) Every employee must immediately report every job-related injury or disease, regardless of severity, to their supervisor. The supervisor must report the accident or incident to the risk management director within twenty-four (24) hours or, in the case of the weekend, at the beginning of the work day Monday.
 - (2) Workers' compensation, except for payment of medical and hospital expenses, is not paid for the first day of injury.
 - (3) When the employee is on worker's compensation leave as a result of a city job injury, illness or disease, the employee is paid supplemental wages for the difference between normal base pay at the time of injury, illness or disease, and the amount received in worker's compensation.
- (c) Temporary employees and volunteers placed on a no-work status by the attending physician for an injury, illness or disease occurring in the course and scope of city employment, are paid worker's compensation in accordance with schedules established by Arizona state law.
- (d) Employees on industrial accident leave are returned to transitional duty as soon as the attending physician authorizes release to transitional duty. All supervisors will find transitional duty for returning employees under these circumstances.
- (e) A written release from the attending physician, subject to approval of the risk management director, must be submitted by an employee returning from industrial accident leave. The release will give the date of return to work and stipulate any restrictions to work performance.

(Ord. No. 1837, § 1(Art. 5, § 505), 6-15-87; Ord. No. 2381, 8-5-91; Ord. No. 2868, § 25, 3-4-96; Ord. No. 4017, § 1(Res. No. 9051, Exh. A, § 12), 5-15-12)

Sec. 14-86. Bereavement leave.

- (a) Except for fifty-six (56) hour fire personnel, if a death occurs in the immediate family of a leave-benefited employee, the employee is given bereavement leave with pay for three (3) working days. The employee may use an additional two (2) days of medical leave, if necessary, for bereavement purposes. Fifty-six (56) hour fire personnel will be given two (2) twenty-four (24) hour shifts bereavement leave with pay and an additional twenty-four (24) hour shift for medical leave, if necessary, for bereavement purposes.
- (b) *Immediate family* as used in this section means a mother (in-law), father (in-law), sister (in-law), brother (in-law), daughter (in-law), son (in-law), wife, husband, stepchild, stepparent, grandchild, grandparent or other person living in the household as a member of the family.

(Ord. No. 1837, § 1(Art. 5, § 506), 6-15-87; Ord. No. 2868, § 26, 3-4-96; Ord. No. 3617, § 7, 5-17-05)

Sec. 14-87. Military leave.

A regular full-time or part-time employee with military obligations to fulfill may take military leave with pay for an amount of time not to exceed thirty (30) calendar days in any two (2) consecutive federal fiscal years (October 1 through September 30) and in accordance with Arizona Revised Statutes title 26, chapter 1, et seq., and Arizona Revised Statutes sections 38-610 and 26-168. An employee is not charged military leave for days on which they are not otherwise scheduled for work.

(Ord. No. 1837, § 1(Art. 5, § 507), 6-15-87; Ord. No. 2003, § 4, 9-19-88; Ord. No. 2868, § 27, 3-4-96)

Sec. 14-88. Civic duty leave.

- (a) Regular full-time and part-time employees who are summoned to attend court to serve as witnesses or perform jury duty are entitled to their regular compensation while serving, unless the litigation affects the personal interest of the employee. Employees who are summoned to jury duty and who receive jury service fees may keep them even though they may constitute additional compensation.
- (b) All employees eligible to vote may receive up to three (3) hours to vote in an election if their scheduled shift does not permit a three (3) consecutive hour period in which the polls are open for them to vote (A.R.S. § 16-402).

(Ord. No. 1837, § 1(Art. 5, § 508), 6-15-87; Ord. No. 2868, § 28, 3-4-96; Ord. No. 4512, 7-2-21)

Sec. 14-89. Leave without pay.

- (a) An employee may request to take leave without pay, subject to the prior approval of the employee's supervisor.
 - (1) Leave without pay for eighty (80) or less working hours may be granted by the employee's supervisor. Leave without pay for more than eighty (80) working hours requires the approval of the general manager and the human resources director.
 - (2) An employee may request medical leave of absence after accrued medical leave and vacation have been depleted, by presenting a written request from a licensed physician. If medical leave without pay is granted, the city may continue to pay the city's portion of the costs for medical insurance, life insurance and long-term disability insurance, if applicable. The employee may choose to keep employee paid coverage, but the employee shall be responsible for paying the costs of such coverage.

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- (b) No medical leave, vacation leave or service time shall accrue to the account of an employee on leave without pay.
 - (c) An employee returning to the same position from leave without pay will be returned to the same salary. The salary of an employee returning to a different classification will be determined by the appropriate general manager.

(Ord. No. 1837, § 1(Art. 5, § 509), 6-15-87; Ord. No. 2868, § 30, 3-4-96; Ord. No. 4205, § 1(Res. No. 10128, § 1), 6-2-15)

Sec. 14-90. Administrative leave.

When it appears in the best interests of the city, the human resources director, in conjunction with the employee's general manager, may approve paid administrative leave of up to ten (10) working days. Administrative leave may be granted when the continued presence of the employee is or may be detrimental to the public interests, adversely affect the efficient operation of the city or for other good cause as determined by the human resources director. The human resources director may approve additional administrative leave when it is in the city's best interest to do so.

(Ord. No. 2868, § 30, 3-4-96; Ord. No. 4205, § 1(Res. No. 10128, § 1), 6-2-15)

Secs. 14-91—14-100. Reserved.