

TO: Board of Trustees

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RE: Personnel Policy Manual Revisions – Update and Discussion

DATE: February 16, 2024

For many months, several of us have worked on review and update of the District’s Personnel Policy Manual, which was last updated with minimal revisions in 2021 (the “2021 Policy”). This document is the Board’s policy relating to management and administration of personnel and personnel issues. In our review, our purposes have been to assure that policies satisfy the intent of past actions of the Board and comply with any legal requirements, keeping in mind recent board initiatives to create a fully engaged management team, delegate responsibilities, and promote excellence in operations.

A cumulative black-line of suggested changes to the 2021 Policy (and clean version) was provided for the January 2024 Board meeting. During our on-going review, we have identified several topics worthy of discussion by the Board, as follows.

1. Proscribing Procedures. Unlike most other policies of the Board, this policy also serves as a procedure manual for employees, in many instances proscribing detailed procedures for employees, supervisors, and managers to follow in both day to day activities and other, sometimes remote, events. It describes the process for employees to notify cases of illness, the process for filing time sheets, the process for assigning work schedules, etc. We propose that the personnel policy be solely a policy document, which further delegates the development and implementation of any procedures or processes necessary to run the day-to-day operations of the district, subject to compliance with any policy of the Board and applicable law. If the Board wishes to go in that direction, a new draft can be presented at an upcoming Board meeting.
2. Delegation of Responsibilities. The 2021 Policy almost exclusively delegated literally every decision, notification and management process to the General Manager, including signing time sheets, approving “uniforms”, assigning work schedules in operations, running references on employees, being notified by employees who are sick, etc. Recent initiatives of the Board have focused on developing a fully engaged and responsible management team. It makes sense, then, that the top position of the District should not be bogged down in day to day administrative duties to the detriment of more serious accountabilities. So our approach in our review has been generally to delegate responsibilities for such things as approvals, decisions, notifications, etc. (for example, being sick or late to work) to the most appropriate person in the “chain of command”, which is usually the employee’s immediate

supervisor. So the functions that generally only relate to operations of the District would be delegated to the Manager of Operations. Financial and Human Resources related functions are delegated to the HR Manager. Delegation of critical decisions, complex situations, or situations involving more than one department would remain at the top job (for example, interdepartmental conflict resolution, loss of assets, emergency office closings or the like). We would like to confirm whether other Board members agree with this direction.

3. Part-time Definition and Benefits (Section 2.5): The 2021 Policy provides that part-time employees that work 1,000 hours per year may receive benefits (upon approval by the Board). The Family and Medical Leave Act requires employees to work 1,250 hours per year to qualify for FMLA benefits. It may be confusing for employees working 1,000 hours to be told they have benefits, when those benefits do not include coverage under the FMLA. Potential options are to dovetail the policy with the FMLA requirement (and set a requirement of 1,250 hours annually to be eligible for benefits for part-time positions) or leave at 1,000 hours and clarify in the manual that benefits exclude FMLA.
4. COLA, Performance Evaluations, and Merit-based Raises (Section 2.12): The 2021 Policy provides for COLA adjustments and describes the information to be provided to the Board to justify such increases. It should be noted that the 2021 Policy does not comport with what information staff has presented in the past to justify COLA increases. Therefore, we have recommended that language relating to COLA increases is generic and simply references that the Board may authorize COLA adjustments from time to time.

References in the 2021 Policy to “performance evaluations” are murky, required in connection with probationary periods, but not specified further. With regard to merit-based increases, the 2021 Policy states that the Board may authorize a merit increase pool which includes a maximum salary increase percentage, and that individual merit increases “shall be based upon the employee’s documented performance”. However, we have found that in general, merit increases have been approved pro forma on the percentage established by the Board, without a clear relationship or guidance by management on whether such increases were justified by performance.

We believe that performance evaluations are an integral part of management and growth of the District and its employees, including establishing and evaluating performance toward goals, and therefore propose that the policy include the requirement for documented performance evaluations, preferably at the end of a probationary or qualifying period and annually thereafter. A further question relates to the utilization of any merit pool established by the Board. We believe that there should be a relationship between employee performance and award of merit increases. If the Board agrees, we believe such policy development should be delegated to the new executive director. If so, language for the updated personnel policy can be drafted accordingly.

5. Professional Development Incentives (Section 5.3): The 2021 Policy provides for professional development incentives solely for licensing, licensing upgrades and professional certifications, and is outdated with the current direction in operations. The 2021 Policy refers to “voluntary” upgrades as a requirement for an incentive, when in fact the direction is now to require equipment operators to obtain wastewater operator licenses for a combined job description. Currently when operators update their license, their job classification is usually raised, resulting in an increased salary. This raises the question of whether a license update is really voluntary and thus requires an incentive. Our recommendation is to clarify the language by making it clear that the District will pay for professional licenses necessary for the employee’s position but get rid of the concept of “voluntary”.

Further, as part of the 2024 budget, staff proposed substantial professional development incentives, for which there is no provision in the 2021 Policy. Our recommendation is to task the new executive director with the development and proposal for professional development incentives, which can be added to the policy manual once approved by the Board.

5. Leave of Absence without Pay (Section 7.9): The 2021 Policy provides that the General Manager has the authority to grant leaves of absence without pay up to 30 workdays to employees. Should this authority continue, or should such approval be with Board concurrence?
6. Eligibility Periods and Rehires (Section 3): Section 3 of the 2021 Policy describes the various benefits of the District, such as vacation, various forms of leave, participation in the retirement plan, etc. Each of these benefits has an eligibility requirement for new employees in order to qualify for such benefit. Leave is accrued over time at increasing rates as tenure increases. The 2021 Policy effectively waives any eligibility requirement for re-hires of previous employees. This seems a reasonable practice for employees who were laid off by the District, but not necessarily for someone who voluntarily leaves and then wants to return to work. If there is concurrence, this language could be adjusted.

Although these are the significant policy issues identified to date, there may be additional topics of conversation as this process continues.

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