

8b | Commission
Discussion

MEETING DATE: August 14, 2024

TO: Local Agency Formation Commission
of Orange County

FROM: Executive Officer
Assistant Executive Officer

SUBJECT: Personnel Policies and Procedures

BACKGROUND

The OC LAFCO Personnel Policies and Procedures were adopted by the Commission to establish and clarify the relative rights and responsibilities of the agency and OC LAFCO employees. Generally, the policies provide employment practices for the following areas: at-will employment, salary and wage administration, employee health, leave and other benefits, and procedures involving employee conduct and other areas.

Over the past several years, the Commission has experienced vacancies of positions through attrition and temporarily involving scheduled and unanticipated extended leaves. While OC LAFCO staffing is small, during those instances, workloads have been redistributed when necessary among other staff positions. This report includes a proposed amendment to the OC LAFCO personnel policy to formalize the process for when these instances occur.

PROPOSED AMENDMENT

The frequency and impacts on office operations and resources involving staff attrition and extended leaves have increased over recent years. During these situations, employees may be assigned additional temporary duties outside of their current position description to support internal efficiencies and administrative operations.

Staff is requesting the Commission to consider a proposed amendment to the OC LAFCO Personnel Policies and Procedures, as referenced in Attachment 1 to accommodate the temporary assignment of duties and appropriate compensation during specific situations.

REGULAR MEMBERS

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Donald P. Wagner
County Member

VICE CHAIR
Wendy Bucknum
City Member

IMMEDIATE PAST CHAIR
Douglass Davert
Special District Member

James Fisler
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Derek J. McGregor
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Bruce Whitaker
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VACANT
County Member

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County Member

STAFF

Carolyn Emery
Executive Officer

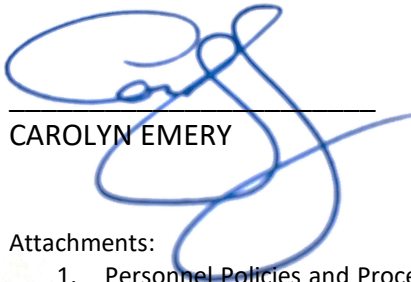
Scott Smith
General Counsel

RECOMMENDED ACTION

Staff recommends the Commission:

1. Adopt the personnel policies and procedures, as amended.

Respectfully Submitted,



CAROLYN EMERY



LUIS TAPIA

Attachments:

1. Personnel Policies and Procedures of the Orange County Local Agency Formation Commission (Section 2) (Redline)
2. Personnel Policies and Procedures of the Orange County Local Agency Formation Commission (Section 2, as amended)

PART 2 – SALARY AND WAGE ADMINISTRATION**3.1 HIRING AND STAFFING****A. Overview**

The intent of this policy is to provide guidelines on the hiring and staffing practices of OC LAFCO.

B. Policy

To attract and retain qualified staff for OC LAFCO, it is the policy of OC LAFCO to use a criterion-based recruitment process and behavioral-based interview process to ensure the most qualified candidates are hired.

C. Recruiting

Recruiting applicants will be aggressive enough to assure an adequate supply of qualified candidates. The recruitment process may include, but is not limited to, the use of professional recruitment firms, referrals from current or past employees, walk-in applicants, and/or web-based postings.

D. Interviews

The employment interview is a major element in the selection process. It allows the applicant an opportunity to demonstrate his or her capabilities to perform the job and provides information to the candidate about the position. Interviews may be conducted by telephone or in face-to-face sessions.

All interview questions must be job-related and have direct bearing on the tasks of the position. Interviews and questions are standardized so that all applicants are evaluated equally. Questions that express (directly or indirectly) any preference, limitation, or general reference to any individual on the basis of a protected category are prohibited.

E. Probationary Period

All OC LAFCO new hires will have a twelve-month probationary period beginning on the first day of employment. The OC LAFCO supervisor will provide job training during this time period and the employee will be evaluated every three months during the probationary period. OC LAFCO may terminate an employee during this twelve-month probationary period at any point in time therein. OC LAFCO retains the right to extend the probationary period. Nothing in this

provision shall alter the at-will status of any employee.

3.2 COMPENSATION PRACTICES

A. Overview

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B. Policy

It is OC LAFCO's policy to provide salaried exempt and salaried non-exempt employees with equitable salary compensation for the specific job assignment. The OC LAFCO salary compensation program is a "pay for performance" system and is designed to ensure OC LAFCO maintains an equitable value of its jobs while encouraging excellent employee performance. Consideration is given to relevant external factors such as economic conditions and the OC LAFCO annual budget. The program is implemented through established salary structures and grades, with salary ranges for both exempt and non-exempt employees. These grades provide different rates of pay for positions requiring different degrees of responsibility, experience, skills and knowledge.

Utilization of these criteria permits OC LAFCO to give individual consideration to each employee's pay in relation to his or her responsibilities, degree of contribution to the success of the agency, and job performance.

C. Salary Increases

Individual salary increases are not awarded on the basis of length of service but based on performance and OC LAFCO affordability.

D. Merit Reviews

1. Merit increases may be awarded during the compensation year in recognition of the employee's performance. The employee's performance is measured primarily on the following criteria as documented in the annual performance review: (1) did the employee successfully achieve his/her agreed upon goals and objectives? (2) what is the employee's overall value to the organization?

2. The following factors may be considered in the determination of the

amount of increase: the employee's position in the pay range; compensation compared to other employees in comparable jobs; and the annual budget of the organization.

3. Merit increases, if awarded, are typically effective at the beginning of the fiscal year but may also be deferred to any effective date within the compensation year. Employees may also receive a "pass" on any merit increase in base salary if (1) his/her performance in the fiscal year has not been worthy of an increase, and/or (2) the agency's budget does not have sufficient funds for increases.

4. Probationary Merit Increase

If an employee is appointed at Step 1 of the salary range, he/she may be eligible to receive a 2.5% step increase upon completion of six-months of service based on his/her performance.

5. Merit Performance Incentive Pay Program for Employee at Top-Step

Once an employee reaches the top-step of the salary range for his/her classification, each year, in conjunction with the annual performance evaluation, the employee may be eligible to receive Merit Performance Incentive Pay ranging from zero to three percent of his/her annual base salary.

E. Organizational Promotion

1. A promotional increase may be awarded to an employee who experiences a significant change in the level or kind of work performed.
2. A promotional increase may be awarded to an employee who performs at a high level of competence and has demonstrated readiness to assume broader, more complex assignments if these assignments become available.

Proposed promotions from non-exempt to exempt salaried status, or from hourly to salaried status, must meet the exemption tests of the California Department of Industrial Relations, Industrial Welfare Commission Wage Order (California Wage Orders) and the Federal Fair Labor Standards Act.

3.3 EMPLOYMENT CATEGORIES

A. Overview

The intent of this policy is to define employment classifications so that employees understand their employment status and benefit eligibility.

B. Policy

These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and OC LAFCO.

C. Exempt/Nonexempt

Each employee is designated as either NONEXEMPT or EXEMPT from federal and state wage and hour laws. An employee's EXEMPT or NONEXEMPT classification may be changed only upon written notification by the Executive Officer. Generally, EXEMPT employees (as defined by the Fair Labor Standards Act of 1938) are not eligible for overtime pay and are paid on a salary basis. Conversely, NON-EXEMPT employees are generally paid on an hourly basis and are eligible for overtime pay.

D. Employment Categories

In addition to the above categories, each employee will belong to one other employment category:

1. Regular Full Time – Employees who are not in an extra help status and who are regularly scheduled to work OC LAFCO's full-time schedule. Generally, they are eligible for OC LAFCO's benefit package, subject to the terms, conditions, and limitations of each benefit program.
2. Part-Time – Employees who are not assigned to an extra help status and who are regularly scheduled to work less than 30 hours per week. While part time employees do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they may be ineligible for some of OC LAFCO's other benefit programs.
3. Extra Help – Employees who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any

way imply a change in employment status. Extra help employees retain that status unless and until notified of a change in writing signed by the Executive Officer. Extra help employees are ineligible for OC LAFCO's benefit programs unless otherwise required by law.

4. Intern – OC LAFCO sometimes utilizes the services of paid student interns. Interns are used to supplement the OC LAFCO work force and provide opportunities for local students to gain local government work experience. Employment is for a specified period of time. Interns are ineligible for OC LAFCO's benefit programs.
5. Temporary Assignment Category (outside of regular full-time/part-time employment categories) – Occasionally, employees may be assigned additional temporary duties outside of their current position description when there is a business need, which may be due to new duties to be performed by OC LAFCO which have not yet been permanently assigned, a vacancy during a recruitment or extended leave of another employee. The term of a temporary assignment will be limited and include duties that are required to support internal efficiencies and administration operations. All temporary assignments will be approved by the Executive Officer and will be compensated at a maximum two and a half percent temporary increase to the affected employee's current bi-weekly salary. At the end of the temporary assignment, the affected employee's bi-weekly salary will be returned to the previous bi-weekly salary. This additional amount will not be reportable for retirement purposes. Employees that are required to perform additional duties on a short-term basis (for less than two weeks) will not be eligible for additional pay.

This provision does not apply to the position of Executive Officer.

E. Job Descriptions

Job descriptions are adopted by the Commission in the Classification and Compensation Resolution. Please refer to Resolution CP 18-04 for the current job descriptions.

3.4 PAY POLICIES

A. Overview

The intent of this policy is to explain and clarify wage administration, work hours and timekeeping.

B. Payment of Wages

All employees are paid biweekly (every two weeks). There are 26 pay periods each year with paydays being every other Friday. In the event that the normal payday falls on an OC LAFCO holiday, the pay date will be the first day immediately prior to the normal pay date.

C. Pay Advances

OC LAFCO does not give advances against wages or un-accrued vacation time.

D. Corrections to Payroll

Errors arising from the payroll processing will be worked out with the payroll contact and the employee. Payment due to a correction will be processed in accordance with state law.

E. Overtime Pay

When OC LAFCO's needs cannot be met during regular working hours, employees may be required to work overtime. All overtime work for nonexempt employees must receive prior authorization of the Executive Officer. Overtime compensation is paid to all nonexempt employees in accordance with federal and state wage and hour laws, based on actual hours worked. OC LAFCO will make an effort to evenly distribute overtime based on business necessity among the employees with the necessary skills, knowledge, and abilities. When possible, advance notification will be provided. Employees who refuse to work overtime shall be subject to corrective action, up to and potentially including termination.

OC LAFCO policy is that all overtime should be pre-approved by the Executive Officer. OC LAFCO will pay any overtime worked, regardless if pre-approved. However, the working of overtime that has not been approved may be grounds for discipline, up to and including termination of employment.

All employees who are classified as "non-exempt employees," as defined under applicable laws or regulations, will be eligible for overtime pay. Exempt employees are not entitled to overtime pay. Overtime is typically defined under federal law as hours worked by non-exempt employees in excess of forty (40) hours in a workweek. In California, overtime is also typically applied to hours worked over eight (8) in a standard work day; though alternate work weeks allow variance. OC LAFCO follows the applicable state and federal laws when calculating overtime. Please note that only actual hours worked in a given workday or work week apply in calculating overtime. In other words, sick leave, vacation, holidays, or other paid

time off is not considered hours worked for purposes of calculating overtime. Employees are obligated to accurately report their overtime worked; any error in overtime payment must be reported in writing to management for correction.

Employees of OC LAFCO designated as exempt employees shall not be subject to the provisions of this section.

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Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week, at the discretion of the Executive Officer.

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Nonexempt employees shall accurately record the actual time they begin and end their work electronically. Each employee is responsible for the daily recording of all time worked on this device. Each employee MUST record their start and finish times for the work day and for meal periods daily. Nonexempt employees must also record departure from work for any non-work-related reason. Failure to do so will subject an employee to discipline, up to and including discharge. Submitting time for another employee is grounds for discipline, up to and including termination. Altering, falsifying, or tampering with time records may result in termination.

OC LAFCO's time keeping policies must be followed at all times. Employees are responsible for reviewing their time entries for accuracy and confirming that their paychecks accurately reflect their actual hours worked. If there are any errors on your paycheck, you should report the error immediately in writing. Any pay correction will be included in the pay period for the time period in which the correction occurred, unless otherwise stated at the time of the correction. Any modifications to a time record must be initialed by the employee, supervisor and the Executive Officer. Exempt employees are expected to also keep track of their hours on a timesheet to be provided by OC LAFCO.

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