


LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 * Fax (909) 388-0481
E-mail: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: APRIL 11, 2018 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
MICHAEL TUERPE, Project Manager
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #6(b)(ii) – REVIEW AND CONSIDERATION OF
AMENDMENTS AND UPDATES TO THE LAFCO POLICY AND
PROCEDURE MANUAL, SECTION III HUMAN RESOURCES

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Provide staff with any additional changes, corrections or amendments to the Human Resources Section of the Policy and Procedure Manual as presented.
2. Approve amendments to Section III – Human Resources of the LAFCO Policy and Procedure Manual of the following:
 - a. Chapter 2 - Employment
 - i. "Salary Ranges" (Policy 2B)
 - ii. "Eligibility for Step Advancement" (Policy 4B)
 - b. Chapter 3 – Time Off
 - i. "Sick Leave, Definitions" (Policy 1B)
 - ii. "Conversion of Vacation Leave to Cash" (Policy 2D)
 - iii. "Conversion of Holiday Leave to Cash" (Policy 3B)
 - iv. "Administrative Leave" (Policy 4D)
 - v. "Perfect Attendance Leave" (Policy 4E)
 - c. Chapter 5 – Benefits Plan
 - i. "Medical and Dental Subsidies" (Policy 2)
 - ii. "Short-Term Disability Insurance" (Policy 4F)
 - iii. "Retirement" (Policy 9)
3. Adopt Resolution No. 3264 approving the amended and updated Policy and Procedure Manual and direct the Executive Officer to make the document available on the Commission's website.

BACKGROUND:

The adopted policy of the Commission is to provide “benefits for SB LAFCO employees equivalent to those provided to County “Exempt” employees”.¹ On January 23, 2018 the County Board of Supervisors approved a variety of amendments to its Exempt Compensation Plan to include the following:

- Sunset the employer Supplemental Retirement contribution and convert the amount of the Supplemental Retirement for employees to salaries effective July 21, 2018.
- Provide that employees are eligible for step advancements in 6-month increments subject to satisfactory work performance, effective July 21, 2018.
- Rescind the restriction on the cash out of administrative leave, effective July 21, 2018.
- Provide a 3% across-the-board wage increase effective July 20, 2019; a 3% across-the board wage increase effective July 18, 2020.
- Increase the Medical Premium Subsidy for all coverage levels effective Benefit Plan Year 2019-20.
- Technical updates to language to reconcile the policies with previous statutory, regulatory, and policy changes.

Attachment 1 to this report outlines the proposed amendments to the Human Resources Section of the LAFCO Policy and Procedure Manual in track change format. Attachment 2 to this report is the proposed salary schedule through FY 2020-21. Attachment 3 to this report contains the County’s amended ordinance related to its Exempt Compensation Plan.

The following seven proposed amendments have an effect on the Commission’s finances. To implement the proposed amendments, staff recommends that the Commission amend Section III (Human Resources) of its Policy and Procedure Manual, as follows:

CHAPTER 2 (EMPLOYMENT)

1. Amend “Salary Ranges” policy

The amendments include a 3% across-the-board wage increase effective July 20, 2019; and a 3% across-the board wage increase effective July 18, 2020. The proposed policy language is included in Attachment #1 beginning on page 1. The revised salary tables are included in Attachment #2. The County’s ordinance related to this change is included in Attachment #3 to this report, with related language beginning on page 1.

¹ LAFCO Policy and Procedure Manual, Section III – Human Resources, Chapter 5 – Benefits Plan, Policy 1A – Administration of Benefits

Additionally, as of July 21, 2018, the supplemental amounts that Tier 1 employees receive to assist in covering their retirement obligations will be discontinued. The amounts shall be included in base salary prior to the three percent across the board salary increase also scheduled for July 21, 2018. The amount shall also be included for Tier 2 employees, who currently do not receive supplemental amounts. This specific proposed amendment is discussed further in Item 6 below.

2. Amend “Eligibility for Step Advancement” policy

Before June 2011, step advancements were based upon two-step increments per year, approximately 5.0%, until the top step was reached. The policy was amended in June 2011 which based step advancements upon a one-step increment per year, approximately 2.5%, until the top step is reached.

This amendment provides a similar concept to the pre-June 2011 version – two step increments per year until the top step is reached, but in six-month increments, subject to satisfactory work performance. This amendment would be effective July 21, 2018. The proposed policy language is included in Attachment #1 beginning on page 3. The County’s ordinance related to this change is included in Attachment #3 to this report, with related language beginning on page 11.

To implement this policy, staff recommends the following procedure to the policy:

When employee eligibility to advance to the next step coincides with the annual formal performance evaluation (see “Performance Review” Policy 4A), the appointing authority shall use the annual formal performance evaluation as the mechanism for determination of satisfactory work performance in approving step increases.

When employee eligibility to advance to the next step does not coincide with the annual formal performance evaluation, the appointing authority shall review the goals and objectives from the previous formal performance evaluation as the mechanism for determination of satisfactory work performance in approving step increases.

CHAPTER 3 (TIME OFF)

3. Amend “Administrative Leave” Policy

Employees are provided with 80 hours of Administrative Leave in the first pay period of the calendar year. Before June 2011, employees could cashout the leave, in whole or in part, each year if desired. In June 2011, the policy was amended to limit the cashout to one time prior to retirement. If the leave was not used or cashed out, then the leave time was lost.

This amendment returns the policy to the pre-2011 version – by allowing employees to cashout the leave each year, in whole or in part. The proposed policy language is included in Attachment #1 beginning on page 8. The County’s ordinance related to this change is included in Attachment #3 to this report, with related language beginning on page 22.

CHAPTER 5 (BENEFITS PLAN)

4. Amend “Medical and Dental Subsidies” Policy

This amendment increases the Medical Premium Subsidy for all coverage levels effective Benefit Plan Year 2019-20. The proposed policy language is included in Attachment #1 on page 10. The County’s ordinance related to this change is included in Attachment #3 to this report, with related language beginning on page 16. The following are the MPS amounts for FY 2017-18:

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	\$115.00	\$230.00
Employee +1	\$176.12	\$352.23
Employee +2	\$241.32	\$482.64

Effective 7/21/18 the following MPS amounts shall apply (previously approved):

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	\$117.25	\$234.50
Employee +1	\$180.60	\$361.19
Employee +2	\$247.67	\$495.34

Effective 7/20/19 the following MPS amounts shall apply (proposed amendment):

	Scheduled for 40 to 60 hours	Scheduled for 61 to 80 hours
Employee Only	\$121.67	\$243.33
Employee +1	\$189.52	\$379.03
Employee +2	\$264.97	\$529.94

5. Amend “Retirement” Policy

Currently, employees receive supplemental amounts per pay period to assist employees cover their employee retirement obligation.

Effective July 21, 2018, this amendment discontinues the supplemental amounts, and the amounts will be included in base salary prior to the three percent across the board salary increase also scheduled for July 21, 2018. The proposed policy language is included in Attachment #1 beginning on page 14. The County’s ordinance related to this change is included in Attachment #3 to this report, with related language beginning on page 19.

TECHNICAL UPDATES

The following policies have technical updates to language to reconcile with previous statutory, regulatory, and policy changes. These updates have no financial impact on the Commission and are deemed non-substantial. For example, the Sick Leave policy has changes to the definition of immediate family, extended family, and defines family member.

- Chapter 3
 - Sick Leave
 - Conversion of Vacation Leave to Cash
 - Conversion of Holiday Leave to Cash
 - Perfect Attendance Leave
- Chapter 5
 - Eligibility for Medical Premium Subsidy (MPS) and Dental Premium Subsidy (DPS) while on Leave
 - Remaining Employee Contributions
 - Special Provisions
 - Survivor Benefits

CONCLUSION:

Staff requests that the Commission provide its additions, amendments or corrections to the amended and updated Human Resources Section of the Policy and Procedure Manual for staff to include in the document. Staff recommends that the Commission take the actions outlined on pages 1 and 2 of this report to approve the changes.

KRM/MT

Attachments:

1. [Proposed LAFCO Policy Amendments in Track Change Format](#)
2. [LAFCO Salary Tables](#)
3. [Materials Related to County Ordinance Relating to Compensation and Working Conditions of the Exempt Group](#)
4. [Draft LAFCO Resolution No. 3264](#)