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Memorandum

To: City Council

From: Clay Wilfahrt, City of Big Lake City Administrator

Date: December 14, 2016

Re: Personnel Policy Updates

Staff constantly reviews policies as they are used and makes note of things that work well and things that don't work well. Additionally with changes made in other areas, consequences can sometimes bleed over unexpectedly into other policies. Because of that, we occasionally need to do clean-up updates of policies.

Our personnel policy has accumulated some changes that staff has suggested. Below is a summary of those suggestions.

- **Added language stating "Step Increases, if applicable, will be as of January 1, of each year. Only one step increase will be issued within a calendar year."** – This change is simply ensuring that there is a clear understanding of how step increases work.
- **Remove 2 floating holidays as of 1/1/17 and add 16 hours to vacation accrual** – Administering floating holidays is labor intensive, and the holidays are used exactly in the same manner that vacation is. The only difference here is that vacation can be paid out at the end of employment, so there may be a slight cost to the change, but staff doesn't anticipate it being significant.

By approving this item on the Consent Agenda, Council would be approving amendments to the Personnel Policy as listed above.

- The very first workweek or the very last workweek of employment with the city in which the employee does not work a full week. In this case, the city will prorate the employee's salary based on the time actually worked.
- The employee is in a position that earns paid leave and is absent for a partial day due to personal reasons, illness or injury, but:
    - Paid leave has not been requested or has been denied;
    - Paid leave is exhausted;
    - The employee has specifically requested unpaid leave;
- The employee is suspended without pay for a full day or more for disciplinary reasons for violations of any written policy that is applied to all employees.
- The employee takes unpaid leave under the FMLA.
- The City of Big Lake may for budgetary reasons implement a voluntary or involuntary unpaid leave program and, under this program, make deductions from the weekly salary of an exempt employee. In this case, the employee will be treated as non-exempt for any workweek in which the budget-related deductions are made.

The City of Big Lake will not make deductions from pay due to exempt employees being absent for jury duty or attendance as a witness but will require the employee to pay back to the city any amounts received by the employee as jury fees or witness fees.

If the city inadvertently makes an improper deduction to the weekly salary of an exempt employee, the city will reimburse the employee and make appropriate changes to comply in the future.

PERFORMANCE REVIEWS

The city administrator or designee for periodically evaluating the performance of city employees will establish an objective performance review system. The quality of an employee's past performance will be considered in personnel decisions such as promotions, transfers, demotions, terminations and, where applicable, salary adjustments.

Performance reviews will be discussed with the employee. While certain components of a performance evaluation, such as disputed facts reported to be incomplete or inaccurate are challengeable using the city's grievance process, other performance evaluation data, including subjective assessments, are not. For those parts of the performance evaluation system deemed not challengeable, an employee may submit a written response, which will be attached to the performance review. Performance reviews are to be scheduled on a regular basis, at least annually. The performance review document, with all required signatures, will be retained as part of the employee's personnel file.

During the training period, informal performance meeting should occur frequently between the supervisor and the employee. Conducting these informal performance meetings provides both the supervisor and the employee the opportunity to discuss what is expected, what is going well and not so well.

Signing of the performance review document by the employee acknowledges the review has been discussed with the supervisor and does not necessarily constitute agreement. Failure to sign the document by the employee will not delay processing.

Step increases are contingent on the employee receiving a positive performance review. If an employee does not receive a satisfactory performance review or better, they will not receive their next scheduled step increase. Step Increases, if applicable, will be as of January 1, of each year. Only one step increase will be issued within a calandar year.

DISCIPLINE

General Policy

Supervisors are responsible for maintaining compliance with city standards of employee conduct. The objective of this policy is to establish a standard disciplinary process for employees of the City of Big Lake. City employees will be subject to disciplinary action for failure to fulfill their duties and responsibilities at the level required, including observance of work rules and standards of conduct and applicable city policies.

Discipline will be administered in a non-discriminatory manner. An employee who believes that discipline applied was either unjust or disproportionate to the offense committed may pursue a remedy through the grievance procedures established in the city's personnel policies. The supervisor and/or the city administrator will investigate any allegation on which disciplinary action might be based before any disciplinary action is taken.

No Contract Language Established

This policy is not to be construed as contractual terms and is intended to serve only as a guide for employment discipline.

Process

The city may elect to use progressive discipline with any employee. There may be circumstances that warrant deviation from the suggested order or where progressive discipline is not appropriate. Nothing in these personnel policies implies that any city employee has a property right to the job he/she performs.
Documentation of disciplinary action taken will be placed in the employee's personnel file with a copy provided to the employee.

The following are descriptions of the types of disciplinary actions:

Oral Reprimand

This measure will be used where informal discussions with the employee's supervisor have not resolved the matter. All supervisors have the ability to issue oral reprimands without prior approval.

Oral reprimands are normally given for first infractions on minor offenses to clarify expectations and put the employee on notice that the performance or behavior needs to change, and what the change must be. The supervisor will document the oral reprimand including date(s) and a summary of discussion and corrective action needed.

Written Reprimand

A written reprimand is more serious and may follow an oral reprimand when the problem is not corrected or the behavior has not consistently improved in a reasonable period. Serious

Unauthorized absences from work for a period of three consecutive workdays may be considered as resignation without proper notice.

Failure to comply with this procedure may be cause for denying the employee's **severance pay** and any future employment with the city.

Severance Pay

Employees, who leave the employment of the city in good standing by retirement or resignation, after working for at last one year, will receive pay for 100% of unused accrued vacation.

BENEFITS

Health, Dental, Life Insurance, Short-term Disability, Long-Term Disability

The City will contribute a monthly amount toward group health (**non-tobacco use rates**), dental, and life insurance, short-term and long-term benefits for each eligible full time employee and his/her dependents. The amount to be contributed and the type of coverage will be determined annually by the city council.
For information about coverage and eligibility requirements, employees should refer to the summary plan description or contact the finance department or the city administrator.

Insurance Opt-out

The city does no longer offers insurance opt-out program. Those employees that were grandfathered in as of 2015 will receive $150.00 per month opt-out payment or $69.23 per 26 payrolls. This amount will be frozen for all current employees participating in the opt-out payment.

Retirement

The city participates in the Public Employees Retirement Fund (PERA) to provide pension benefits for its eligible employees to help plan for a successful and secure retirement. Participation in PERA is mandatory for most employees and contributions into PERA begin immediately. The city and the employee contribute to PERA each pay period as determined by state law. Most employees are also required to contribute a portion of each paycheck for Social Security and Medicare (the city matches the employee's social security and Medicare withholding).

For information about PERA, eligibility and contribution requirements contact the finance department.

Holidays

The city observes the following official holidays for all regular non-union full-time and permanent part-time employees: **(Union employees refer to union contract) – remove 2 floating holidays as of 1/1/17 and add 16 hours to vacation accrual**

New Year's Day	Labor Day	~~2 Floating Holidays~~
Martin Luther King, Jr. Day	Veteran's Day	
President's Day	Thanksgiving Day	

Memorial Day	Friday after Thanksgiving
Independence Day	Christmas Day

Official holidays commence at the beginning of the first shift of the day on which the holiday is observed and continue for twenty-four (24) hours thereafter.

When a holiday falls on a Sunday, the following Monday will be the "observed" holiday and when a holiday falls on a Saturday, the preceding Friday will be the "observed" holiday for city operations/facilities that are closed on holidays.

Full-time non-union employees will receive pay for official holidays at their normal straight time rates, provided they are on paid status on the last scheduled day prior to the holiday and first scheduled day immediately after the holiday. Any employee on a leave of absence without pay from the city is not eligible for holiday pay. **(Union employees refer to union contract)**

All regular full-time and permanent part-time employees scheduled to work on a city "observed" holiday will receive one and one half times **(1.5)** their regular hourly rate for the hours worked on that day.

Exempt employees who are required to work on an observed holiday may take another day off in-lieu of the observed holiday.

Employees wanting to observe holidays other than those officially observed by the city may request either vacation leave or unpaid leave for such time off.

LEAVES

Sick Leave

Sick leave is authorized absence from work with pay, granted to qualified full-time and part-time employees. Sick leave is a privilege, not a right. Employees are to use this paid leave only when they are unable to work for medical reasons and under the conditions explained below. Sick leave does not accrue during an unpaid leave of absence.

- Full-time employees will accumulate sick leave at a rate of one (**1**) day per month or **3.70** hours per payroll not to exceed 800 hours (**100** days).
- If, at end of the calendar year an employee has accumulated over 800 hours (100 days) the employee is allowed to make a one (1) time selection between the following alternatives. Must be submitted to the finance department by **December 15** of the year.
    - Four (4) hours of pay at the employee's regular rate of pay for every eight (8) hours of sick leave accumulated beyond the 800 hours (100 days).
    - Four (4) hours of vacation for every eight (8) hours of sick leave accumulated beyond the 800 hours (100 days). Useable only during the next fiscal year.
- Part-time employees will not earn or accrue sick leave.
- Temporary and seasonal employees will not earn or accrue sick leave.

The employee shall further provide to the city a release of medical information authorizing the city, or its agents, access to the employee's medical records relevant to the specific injury or illness in question for sustaining disability.

The employee shall, if required or requested, submit to an examination at the city's expense by a physician designated by the city in order to verify the injury or illness claimed by the employee.

Before qualifying for short-term disability benefits, an employee must complete all required city forms to the city's satisfaction. In order to continue to receive short-term disability benefits, all required city forms must remain in effect for the duration of the disability.

Each new event, which results in short-term disability benefits, shall be preceded by a new waiting period of twenty two **(22)** consecutive calendar days. Each new event shall be subject to the provisions of this Article.

Each day in which an employee is able to work less than four **(4)** hours per day shall count as one-half **(1/2)** day toward the ninety **(90)** day benefit period. If an employee returns to work on a part time basis during the ninety **(90)** day benefit period, each day in which the employee is able to work four **(4)** or more hours per day shall count as one **(1)** day toward the ninety **(90)** day benefit period.

Long-term disability benefits will begin on the ninety-first **(91)** day of the benefit period. Long-term disability benefits compensate employees for up to **60%** of their wages for the length of their disability period or until age 65.

Vacation Leave

Vacation Leave Schedule

Years of Service	Annual Accrual
Less than 3 Years	~~12~~ 14 Days or 4.30 hours/payroll
3 to 14 Years	~~18~~ 20 Days or 6.15 hours/payroll
Greater than 14 Years	~~24~~ 26 Days or 8.00 hours/payroll

Eligibility
Full-time employees will earn vacation leave in accordance with the above schedule.

Part-time employees, temporary and seasonal employees will not earn or accrue vacation leave.

Accrual Rate
For determining an employee's vacation accrual rate, years of service will include all continuous time that the employee has worked at the city (including authorized unpaid leave). Employees who are rehired after terminating city employment will not receive credit for their prior service unless specifically negotiated at the time of hire.

Earnings and Use