



Supplemental Employee Policy

GENERAL POLICY

It is the policy of the City of San Luis Obispo to hire supplemental employees to meet temporary needs of the City that result from emergencies, special projects of a short-term nature, extra-help, seasonal work, un-programmed surges in workload, occasional hours for an ongoing need, and to provide substitutes for or support to regular employees to maintain optimal service levels.

Supplemental Employees shall be compensated on an hourly basis, supervised by regular City staff (exceptions may be made in the Parks and Recreation Department) and perform specific tasks as defined by the City.

Authorization for all supplemental employee hiring except in the Parks and Recreation Department shall be approved in advance by both the department head or designee and the Department of Human Resources via an HR Requisition Form. Compensation for supplemental employees is to be in alignment with the City's supplemental salary schedule.

ADMINISTRATION OF SUPPLEMENTAL EMPLOYEE POLICY

The Department of Human Resources shall be responsible for coordinating the recruitment and selection of supplemental employees and administering the City's Supplemental Employee Policy. The Parks and Recreation Department shall be responsible for coordinating their department's recruitment and selection of supplemental employees in accordance with this policy. Department heads and their supervisory personnel are responsible for implementing the Supplemental Employee Policy in their respective departments.

POSITION ANALYSIS

Seasonal Worker: Hired to work on a part or full-time basis during a season to respond to an increase in demand.

Occasional: Hired to fill a temporary need over a specific period, such as backfilling a Full Time Equivalent (FTE) that is out on leave/vacation/worker's comp, or to help with a special project. Hired as needed to accommodate periods of increased workloads.

Irregular Schedule: Hired to respond to an increase in demand for a position that is not an FTE. Number of hours worked in a fiscal year vary.

Limited Benefit Employee: Some Parks and Recreation supplemental employees are eligible for time off and additional sick leave benefits. These employees receive paid

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time off in the amount of 3% hours worked, up to a maximum accrual of 40 hours, and accrue sick leave with pay at the rate of twelve days per year of continuous service.

Supplemental Employees Hired part-time to supplement the City's regular workforce in a position that does not have an associated line-item position.

Contract Employee: These positions are for periods of employment typically greater than six months but less than two years. Contract employees may receive some of the same benefits as regular employees in the bargaining group their classification is with in if it is expressly written in to their employment contract. Other contract employees may have other negotiated benefits that differ from a bargaining unit.

Health insurance (medical, dental, vision, life) is an optional benefit for contract employees, offered at the department's discretion. City contribution is aligned with equivalent employee group benefits.

TEMPORARY HIRING OF RETIREES

- Temporary full-time or temporary part-time employment of retirees under the California Public Employees Retirement System (PERS) shall be permitted in cases where temporary service is desired.
- The PERS retiree is limited to 960 hours per fiscal year. These hours include periods of time worked for any PERS agency in the State of California. Under no circumstances shall a PERS Retiree work for any PERS agency for more than a total of 960 hours per fiscal year or be assigned to the City through a temporary agency. Other limitations may apply, including the amount of compensation that may be offered. [Refer to CalPERS Employment After Retirement Handbook](#) for further information.

Retired Annuitant: An employee that has retired from a CalPERS agency that meets the criteria to work for less than 960 hours in a fiscal year. These criteria include:

- Hired to be used as extra-help
- Has specialized skills needed to perform the work
- Their retirement date must be 180 days before their hire date

Benefits

Supplemental Employee Health Contribution: Supplemental employees working shifts greater than 30 hours per week or 130 hours per month on a continuous basis for at least four months will be eligible for employee-only health insurance. The contribution is adjusted annually to ensure affordability as defined by the Affordable Care Act (ACA). Employees will be required to work at least half of their regularly scheduled hours in a pay period in order to receive the City's contribution for ACA medical benefits.

Nationwide Retirement: The City of San Luis Obispo does not participate in Social Security but has implemented a retirement system which satisfies the IRS and the

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Social Security Act [20 CFR 1200(b)]. This shall be accomplished by the use of a Deferred Compensation Plan eligible under section 457(b) of the Code. All employees of the City of San Luis Obispo who are not eligible to participate in the Public Employees Retirement System (CalPERS) must participate in this defined contribution plan. Employee contribution is 7.5% of salary.

CalPERS Retirement: Supplemental employees who have previously been enrolled in CalPERS or exceed 1,000 paid hours in a fiscal year will be enrolled into CalPERS (paid hours include regular, sick leave, overtime).

**For more information, please refer to Exhibit A*

Paid Sick Leave: In compliance with California Law Assembly Bill 1522 – Healthy Workplaces, Healthy Families Act of 2014 (AB 1522), effective July 1, 2015 the City will provide all supplemental staff (with the exception of retired annuitants) paid sick leave at the accrual rate of one (1) hour of sick leave for every 30 hours worked, up to three (3) days or 24 hours of paid sick leave to be provided in a 12-month period. More details can be found in the [City's Paid Sick Leave Policy](#).

Parks and Recreation Limited Benefit (LBT) employees are pre-approved positions that are eligible for additional sick time benefits. Each incumbent of an LBT position shall accrue sick leave with pay at the rate of twelve days per year of continuous service. A department head shall require written proof of illness from an authorized medical authority at the employee's expense for sick leave use in excess of five (5) consecutive working days by personnel in his/her department. Such proof may be required where there exists an indication of sick leave abuse.

Personal Time-off (PTO): Parks and Recreation Limited Benefit (LBT) employees are pre-approved positions that work over 1,000 hours per fiscal year and are eligible for personal time off (PTO) benefits. These employees receive PTO in the amount of 3% of hours worked, up to a maximum accrual of 40 hours which is cashed out upon termination. PTO does not count towards hours worked for purposes of overtime calculation.

RESPONSIBILITY FOR SUPPLEMENTAL RECRUITMENT & SELECTION

The Department of Human Resources shall be responsible for the application of the Supplemental Employee Policy. From time to time the Human Resources Director and City Manager may be required to make amendments to this policy to comply with federal and state laws.

HUMAN RESOURCES DEPARTMENT

It shall be the responsibility of the Department of Human Resources to assist all department heads and their staff in the recruitment and selection of all supplemental staff and contract employees (except for Parks and Recreation) which includes:

- Advertising the position.

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- Accepting, tracking and maintaining the applications.
- Scheduling pre-employment physical examinations (if required).
- Advising and assisting departments in solving performance problems or other policy issues with supplemental employees.
- Orienting supplemental employees.

Department Heads / Supervisors

The department heads / supervisors or designee have primary responsibility for the implementation of the Supplemental Staff Policy within their department/division. It is the responsibility of the department heads / supervisors or designee to:

- Determine if funding is available within the department budget to hire supplemental help.
- Determine with the assistance of the Human Resources Department if a pre-employment physical is needed.
- Schedule an orientation with the Human Resources Department on the first day of employment. Parks and Recreation will orient their own supplemental employees.

CRITERIA FOR SUPPLEMENTAL STAFF TO EXCEED 1,000 HOURS

Supplemental staff are not eligible for PERS retirement benefits unless they exceed 1,000 paid hours (regular, sick leave, OT) in a fiscal year or the employee has previously qualified for PERS retirement. If the supplemental employee is projected to exceed 1,000 hours, a City Manager report requesting approval to allow a supplemental employee to exceed 1,000 hours in a fiscal year should be submitted and contain the following information:

- Name, classification, and hire date of the supplemental employee.
- A discussion of the critical need for the employee to work more than 1,000 hours in a fiscal year.
- A brief description of the employee's work assignment.
- Hours worked to date and estimated date employee will exceed 1,000 hours.
- The time frame of the expected need for this employee to work more than 1,000 hours per fiscal year.
- Training the department has invested in this employee.
- The recruitment difficulties the department has experienced, if any.
- The anticipated increases in costs for PERS retirement. Estimate the dollar amount for the remainder of the current fiscal year and for the next full fiscal year.
- Any alternatives, including hiring more supplemental employees to keep them under the 1,000-hour limit.
- The consequences if the request is not approved.
- Other information to support the request.

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See Appendix A for a sample City Manager Report.

BARGAINING UNIT

Supplemental staff are not covered by nor represented by any bargaining unit.

COMPENSATION

Salary

All supplemental employees shall be paid in accordance with the [Supplemental Employee Salary Ranges](#). The starting step of pay can be assigned at the discretion of the Department Head. Rationale for placing an employee above Step 1 will be specified on the Personnel Action Form. If an employee is performing two different jobs within the City, they will code their timecard with the appropriate account number for each different job and submit a Personnel Action.

Overtime

Overtime is defined as all hours preauthorized by management and worked by the supplemental employee more than forty (40) hours worked in a work period. All overtime shall be authorized in writing by the department head or designee prior to being worked. Overtime shall be compensated in cash at one and one half (1 1/2) times the employee's regular rate of pay.

Criteria for Step Increase

Step increases shall not be automatic or simply a function of time in position. Consideration for a step increase should be based on both the employee's satisfactory performance and the accumulation of working 520 hours at a current step in their current classification.

A discretionary increase may be considered prior to completion of 520 hours of City employment to retain key skills. Any step increase recommended by the Department Head must be in alignment with the City's Supplemental Employee Salary Ranges and approved By Human Resources. Request for a discretionary increase must be accompanied by written justification from the supervisor. Guidelines for discretionary increases are set by each division and shall be applied equally.

Increases are not applied retroactively. Increases are not intended to imply long-term continuation of employment, but to recognize performance and address retention of critical skills and certifications to avoid unnecessary turnover costs. Increases larger than one step must be accompanied by appropriate written justification and are allowed one time within a salary range.

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Salary Range Adjustments

Per the City's Compensation Philosophy, supplemental employee salary ranges will be evaluated periodically for market competitiveness, effectiveness, and compliance with State law.

Multiple Classifications

For employees working in multiple classifications, the department will need to list out all classifications (including account, department, supervisor, pay rate) on a Personnel Action Form.

EVALUATIONS FOR CONTRACT EMPLOYEES

Contract employees with a term of more than one year will be evaluated using the guidelines below. The format of evaluations is up to the discretion of the department; they may use the evaluation template or write a memo.

Management/Exempt Employees

Within two weeks of employment, the supervisor will work with the employee to create their goals. This will provide a framework within which the employee will be evaluated.

At the six-month mark an evaluation is recommended, but not required. An annual evaluation will then be required for the duration of their contract, as well as updated goals each year.

Non-Exempt Employees

Within two weeks of employment, the supervisor will work with the employee to set expectations. This will provide a framework within which the employee will be evaluated.

At the six-month mark an evaluation is recommended, but not required. An annual evaluation will then be required for the duration of their contract.

EMPLOYMENT OPPORTUNITY PROGRAM

Supplemental employees who meet the minimum qualifications are eligible to compete for open positions as part of the [Employment Opportunities Program \(EOP\)](#). The Program is designed to give current employees a window of opportunity to apply for and possibly transfer or promote into another classification when there is a vacancy prior to the start of an outside recruitment.

TERMINATION

Per the Personnel Rules and Regulations (2.36.190 D 3) a supplemental employee may be removed at any time without the right of appeal or hearing.

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Exhibit A

Type	Duration			Mandatory Benefits	
				Health Cont.	PERS
Seasonal	FT	<6 M	No Contract	Must offer upon hire if the employee will be working 30 hours on average over a four-month period. Must offer if the employee works 30 hours on average over a four-month period.	Must enroll upon hire if they are expected to exceed the 1,000-hour limit within a fiscal year. Must enroll if the employee exceeds the 1,000-hour limit within a fiscal year.
	PT	<6 M	No Contract	No enrollment required.	No enrollment required.
Occasional	FT	<6 M	No Contract	Must offer upon hire if the employee will be working 30 hours on average over a four-month period. Must offer if the employee works 30 hours on average over a four-month period.	Must enroll upon hire if they are expected to exceed the 1,000-hour limit within a fiscal year. Must enroll if the employee exceeds the 1,000-hour limit within a fiscal year.
		>6 M	Contract	Must offer upon hire.	Must enroll upon hire.
	PT	<6 M	No Contract	No enrollment required.	No enrollment required.
		>6 M	Contract	Must offer upon hire if the employee will be working 30 hours on average over a four-month period. Must offer if the employee works 30 hours on average over a four-month period.	Must enroll upon hire if they are expected to exceed the 1,000-hour limit within a fiscal year. Must enroll if the employee exceeds the 1,000-hour limit within a fiscal year.
Ongoing	FT	>6 M	Contract	Must offer upon hire.	Must enroll upon hire.
	PT	>6 M	No Contract	Must offer upon hire if the employee will be working 30 hours on average over a four-month period. Must offer if the employee works 30 hours on average over a four-month period.	Must enroll upon hire if they are expected to exceed the 1,000-hour limit within a fiscal year. Must enroll if the employee exceeds the 1,000-hour limit within a fiscal year.

Appendix A – Sample City Manager Report



City Manager Report

Final City Manager Approval	Approver Name	Date Approved
City Administration	<i>Approver's Initials</i>	<i>Month/Day</i>

Reviewer Routing List	Reviewer Name	Date Reviewed
Finance & Information Technology	<i>Reviewer Initials</i>	<i>Month/Day</i>
Human Resources	<i>Reviewer Initials</i>	<i>Month/Day</i>

DATE

FROM:	<i>Department Head, Department</i>	<i>Signature</i>	
PREPARED BY:	<i>Name, Position Title</i>		
SUBJECT:	PERS Enrollment 1000 hours - Williamson		

RECOMMENDATION

Authorize Part Time/Temporary Lifeguard Lindsey Williamson's enrollment in the PERS system effective May 25, 2017.

In this section you explain what you are asking for.

DISCUSSION

Background Information

Lindsey Williamson was hired on July 3, 2015 and presently works two different jobs for the City: Lifeguard/City Worker 3 and Swim Instructor/ City Worker 4. On May 25, 2017 Lindsey will exceed the 1,000 hour mark limitation on part time temporary employees and therefore must be enrolled in PERS as of that date. To minimize ongoing costs she could be terminated and another temporary employee hired that would not be in PERS.

This is where you include background information such as hire date, an overview of the situation, or any other important information to understanding the situation. Below, you outline specifics of why this occurrence happened / is happening, what needs to be done, and alternatives to your recommendation.

Significant staff transitions in Aquatics and Facilities in 2017 and Lindsey stepped up

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Recruitment for Aquatics staff is an on-going struggle due in part to the number of weekly shifts needing to be filled and the now recovered economy. In addition, the majority of staff are college students whose work availability is dependent on their class schedules; therefore they require a work schedule that must change from quarter to quarter to “fit” their academic schedule. Lindsey is a trained, available employee who has filled the gaps with scheduling for the past year. In Aquatics, due to the low numbers of employees and slow recruitment, Lindsey was asked to fill in for additional shifts as a swim instructor for swim lessons, lifeguards, and assist incoming staff shadow shifts in May.

Why Will Staff Allow Lindsey Williamson to Exceed 1,000 hours in a Fiscal Year?

Because she is a great employee, and because May and June are the busiest months of the year for Parks and Recreation, Lindsey has covered and will cover several extra shifts at the pool and facilities. She was covering for sick staff in May (the stomach flu made the rounds) and one of the only employees able to work these shifts. With the slow recruitment process, student scheduling issues, and illnesses, the options are either to allow Lindsey to work the extra hours, have regular staff work these shifts (taking away from their priorities and costing over twice as much per hour), be understaffed which would result in a safety issue, or close the pool altogether.

Why is it critical to authorize this employee to be enrolled in PERS?

1. We are legally required to enroll Lindsey in PERS because she will exceed 1,000 hours in a fiscal year. Not enrolling her in PERS could subject the City to penalties that could far exceed the additional cost of PERS.

In her Assigned Division continuity of staff and relationships is highly valued.

Lindsey has shown a passion for the Parks and Recreation Department. Her job duties include: patron safety, recognizing and responding to emergencies, enforcing rules and regulations of the facility, head lifeguard duties, swim lesson instruction, maintaining effective working relationships with staff and the public, and assisting in lifeguard training. Lindsey is a “natural” leader and brings a positive attitude to the programs. She is an excellent communicator and the positive relationship she has cultivated with the children in her lessons and families is invaluable and irreplaceable. Lindsey’s passion and devotion to quality programming and enriching opportunities is evident in all she does. She is well liked by patrons of the pool, students she has taught, and regular users of our facilities.

Significant training has been provided to this employee.

Along with being trained in general City policies and procedures, Lindsey has been trained in over 80 hours of intensive and general training pertaining to Aquatics, including: First Aid and CPR, Mandated Child Abuse Reporting procedures, emergency action plans, water rescue skills, facility policies and procedures, facility safety checks, Active registration system.

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Longer term Lindsey would be a natural fit as a LBT.

Lindsey began working for the Parks and Recreation Department as a Lifeguard in Aquatics. Once she met the requirements for the lifeguarding role, she was immediately assigned higher designations and given more responsibility based on her exemplary work performance. Currently, she is a head lifeguard who is being trained for upcoming department specialist positions. Lindsey is dependable, committed, a self-starter and has exceeded all expectations. Due to all of this Lindsey would be a natural fit for a future LBT (PERS budgeted) vacancy. If the past is a guide, Parks and Rec experiences an average of one LBT vacancy a year (if not more) due to promotions and other transitions. This succession planning effort allows for program Supervisors to retain quality employees and provide programmatic consistency while reducing recruitment and training costs. If this were to occur, future PERS costs for Lindsey would be folded into her salary as PERS costs are included in the costs of limited benefit temporary employees. Consequently, if the request is not approved, Lindsey would have to be terminated resulting in the loss of consistent, hard-working, and quality employee. There would be significant training costs associated with adding another staff member of Lindsey's caliber.

What alternatives are there, including hiring more temp employees in order to keep them under the 1000-hour limit?

1. **Increase tracking of all multiple division staff.** Work with staff, in addition to Supervisors, to better understand the limitations present by keeping employees under the 1000 hours threshold by scheduling fewer hours for the employee per division. Doing bi-monthly Intellitime checks and balances once an employee is at or near 750 hours as related to internal staff hour tracking.
2. **Lower the Department Policy Restrictions on Hours Worked.** Lower the stop work threshold to 820 hours.
3. **Hiring More Staff.** Hiring more temporary employees for the aquatics program. This is not desired as summer is the high season while the hours are cut dramatically in the off season. It takes about a month from the time the position is opened to the employee's start date, so if we started recruiting now it would be a position that would last for about six weeks. This position would have to undergo rigorous training to comply with safety standards and would not be worth the cost of the recruitment process for the short time they are employed.

CONCURRENCES

The Human Resources Director concurs with the recommendations of this report.

FISCAL IMPACT

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Assuming this employee remains an active part time employee in 2016-17 and in the current position, and roughly the same number of hours the added annual cost would be approximately \$3,030. The projected increased cost of the proposed change for this employee can be accommodated within the existing budget for temporary salaries for Parks and Recreation.

This is where you explain the direct fiscal impact of your recommendation, if there is any.