

Livermore Area Recreation and Park District

Staff Report

TO: Chair Wilson and Personnel Committee members

FROM: Mat Fuzie, General Manager

PREPARED BY: Jeffrey Schneider, Administrative Services Manager
Megan Shannon, Human Resources Officer

DATE: December 2, 2020

SUBJECT: District Notice 0006 - Elimination of Administrative Leave for Exempt Employees

Recommendation: That the Personnel Committee recommend that the Board of Directors approve District Notice 0006 - Elimination of Administrative Leave for Exempt Employees.

Purpose: To clarify and simplify how the District's exempt employees, who are not eligible for Compensatory Time off or Overtime Pay, are able to experience a healthy and effective work-life balance. This District Notice (DN) replaces our current Administrative Leave Policy (HR-14-2455) with a more flexible system in which the Management Team can directly manage the effectiveness of their exempt staff in achieving goals and objectives while supporting their ability to achieve a healthy work-life balance.

Effect of this DN: With the approval and adoption of this DN as of January 1, 2020, the District will forego the existence of a formal Administrative Leave hours bank system of any sort. The last bank of Administrative Leave hours will be exhausted as of December 31, 2020. In its place, the General Manager will implement a more progressive and flexible leave program which provides the autonomy exempt employees require to balance the responsibilities of both their work and home lives, thereby maximizing their effectiveness, work-life balance, and ultimately their value to the District. Exempt employees will be eligible to take leave to address personal responsibilities that cannot be accomplished outside of normal work hours and/or to reinvigorate themselves after completing a particularly challenging set of work deliverables. Prior approval from an exempt employee's Manager will be required, and the District encourages Managers to initiative discussions about such time off as well. Again, the underlying assumption is that Managers and their exempt employees are in agreement that established goals are being met in terms of timing and content.

Examples:

Example A

Employee X is an exempt employee who has just completed a project that only Employee X could complete and it required the employee to stay late and work a weekend to complete the project satisfactorily by the deadline needed. Upon completion of the project the employee is encouraged to schedule some time off with pay as soon as Employee X has a break in their workload in order to recharge and rest.

Example B

Employee Y is an exempt employee who has a child who is a highly gifted athlete who is competing for college scholarships. The athlete is travelling to Showcase Tournaments where college recruiters will be present. Employee Y wants to be present for their child, but this will require travelling to these tournaments, which means they will be out of town on some Fridays and Mondays. Employee Y explains the situation to her manager and they agree that employee Y can be available for emergency calls and will complete all deliverables while on the trip. The employee is available for work situations remotely and does not have to use Vacation or other leave credits because she is still available to the Manager. This is a situation where all parties benefit from the agreement.

District Notice 0006
Elimination of Administrative Leave for Exempt Employees

This District Notice (DN) supersedes District Policy Number HR-14-2455: Administrative Leave Policy.

Purpose: To clarify and simplify how the District's exempt employees, who are not eligible for Compensatory Time off or Overtime Pay, are able to experience a healthy and effective work-life balance. This DN replaces our current Administrative Leave Policy (HR-14-2455) with a more flexible system in which the Management Team can directly manage the effectiveness of their exempt staff in achieving goals and objectives while supporting their ability to achieve a healthy work-life balance.

Effective: January 1, 2021

Background: Under the Fair Labor Standards Act (FLSA), exempt employees who work more than forty (40) hours per week are not eligible to receive Compensatory Time Off or Overtime Pay. In recognition of this, the District's exempt employees have historically received forty (40) hours of Administrative Leave on both January 1 and July 1, for a total of eighty (80) hours per year. If the leave time was unused during any six (6) month period, it was forfeited (i.e. if the hours granted on January 1 were not used prior to July 1). In the past, many employees have been unable to take extended time off due to busy schedules, and thus oftentimes have lost out on their Administrative Leave hours.

As stated in the existing Policy, Administrative leave is intended to be used for *time off purposes* in general. In practice, Administrative Leave hours have primarily been used for vacation purposes. As well, because of the fact that hours not used within the six month period in which they were available would be lost, employees have tended to use those balances prior to vacation, which has resulted in many employees reaching their maximum vacation accrual balances, a real financial issue when one of these employees leaves the District and is paid for those balances. (Note: effective 08/12/20, DN0005 - Reduction in Force, discontinued the prior practice of paying out any Administrative Leave balances upon separation).

An exempt employee primarily performs duties that are related to the management and/or professional operations of the District, and receives a salary for the work they perform rather than an hourly rate (i.e. they are paid for the work they do rather than the number of hours they take to complete the task). Job descriptions for these positions are written in a fashion that typically require at least forty (40) hours of work per week to complete and on occasion the duties, responsibilities and activities require additional hours beyond the forty (40). As well, the District's exempt roles are relatively complex and deadline driven, which can result in long, and occasionally stressful work hours.

Effect of this DN: With the approval and adoption of this DN, the District will forego the existence of a formal Administrative Leave hours bank system of any sort. The last bank of Administrative Leave hours will be exhausted as of December 31, 2020. In its place, the General Manager will implement a more progressive and flexible leave program which provides the autonomy exempt employees require to balance the responsibilities of both their work and home lives, thereby maximizing their effectiveness, work-life balance, and ultimately their value to the District. Exempt employees will be eligible to take leave to address personal responsibilities that cannot be accomplished outside of normal work hours and/or to reinvigorate themselves after completing a particularly challenging set of work deliverables. Prior approval from an exempt employee's Manager will be required, and the District encourages Managers to initiative discussions about such time off as well. Again, the underlying assumption is that Managers and their exempt employees are in agreement that established goals are being met in terms of timing and content.