

# Livermore Area Recreation and Park District

## Staff Report

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TO: Chair Palajac and Board of Directors

FROM: Mat Fuzie, General Manager

PREPARED BY: Jeffrey Schneider, Administrative Services Manager  
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DATE: December 9, 2020

SUBJECT: District Notice 0001 - Personnel Rules and Regulations: Holiday Pay (**Revised**)

COMMISSION: Personnel Commission recommended approval, with edits (December 1, 2020)

COMMITTEE: Personnel Committee recommended approval, with edits (Nov.10 and Dec. 2, 2020)

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**Recommendation:** That the Board of Directors approve proposed revisions to District Notice 0001 - Personnel Rules and Regulations: Holiday Pay.

This District Notice (DN) supersedes District Notice 0001- Personnel Rules and Regulations: Holiday Pay, which was published on November 27, 2018.

**Purpose:** This revised Holiday Pay District Notice serves four primary purposes:

1. To enable employees to have more flexibility to celebrate holidays that are important to them but which are not currently observed by the District.
2. To facilitate staff scheduling processes by revising how Floating Holidays are utilized by allowing them to be in full-day increments only (hourly-based, partial days have been allowed to date).
3. To discontinue a non-standard and fiscally impactful practice whereby benefited staff who are not scheduled to work on an Observed Holiday are, at present, able to designate another day within the same pay period as a holiday not worked.
4. To enhance flexibility in how the District addresses instances in which an Observed Holiday actually occurs on a weekend.

**Effective:** January 1, 2021

## Highlights:

1. In an attempt to be more inclusive when it comes to our diverse workforce and the holidays which employees wish to celebrate, the District proposes modifications to its schedule of Observed Holidays and annual Floating Holiday allocation. While this proposal would reduce the number of Observed Holidays from thirteen (13) to nine (9), staff also recommends that the annual allocation of Floating Holidays be increased from two (2) to six (6).
  - 1.1. Moving forward, the District will observe nine (9) Federal holidays, all of which it currently observes, and will no longer formally observe the following four (4) holidays: Spring Holiday, the Friday after Thanksgiving, Christmas Eve Day, and New Year's Eve Day.
    - 1.1.1. For operating units that work a standard Monday to Friday schedule (the majority of employees), the District will observe holidays in a fashion that is consistent with the Federal Government. For operating units whose employees work a non-standard schedule, the District will observe holidays on the actual date upon which they occur.
      - 1.1.1.1. Example: Independence Day falls on a Sunday in 2021. The Federal Government will observe the holiday on Monday, July 5, 2021. The District will observe the holiday on Monday, July 5<sup>th</sup> for employees whose operating units rely on a Monday to Friday schedule. Units with a non-standard schedule, a current example being Open Space, will be subject to an Observed Holiday schedule that includes Sunday, July 4<sup>th</sup>, not July 5<sup>th</sup>.
  - 1.2. In place of the four (4) Observed Holidays that are proposed to be dropped, the District will grant benefited staff four (4) Floating Holidays per calendar year, in addition to the current allocation of two (2) Floating Holidays (bringing the new annual count to six (6)), to provide more flexibility for employees to celebrate holidays of their choosing that are not currently observed by the District (i.e. Juneteenth, Cesar Chavez Day), or any other day deemed important to the employee. These Floating Holidays will be provisioned on January 1st of each year.
    - 1.2.1. Floating Holiday provisions will be pro-rated for new employees who join the District after January 1<sup>st</sup> (please see item 6.5 of the DN)
2. The nine (9) Federal holidays that will continue to be observed are not guaranteed, meaning that if an employee is not normally scheduled to work on the date that the District observes a holiday, they will no longer be able to elect an alternative day during that same pay period to observe that holiday and be paid for it.
3. At present, benefited employees receive two (2) Floating Holidays on July 1st each year and these hours are available to be used until June 30th of the following calendar year. Employees who have

not used their latest allocation of Floating Holiday hours by the time the new allocation is provisioned (January 1, 2021) may continue to use them until December 31, 2021, while also receiving the new grant of 6 Floating Holidays.

4. As is currently the case, Floating Holidays that are unused after 12 months (now coinciding with December 31st each year) will no longer be available in the new calendar year, when a new grant of Floating Holidays will be made available. As documented in District Notice 0005 - Reduction in Force, Floating Holiday balances that exist at the time an employee leaves the District will have no cash-out value upon termination.
5. An important change to the use of Floating Holidays will be effective with this District Notice: Floating Holidays may only be taken in the form of full days off to minimize scheduling challenges. No longer will Floating Holidays be denominated in hours, with a one-time exception for employees who currently have a balance of Floating Holiday hours that is not equivalent to one or two full days (6 hours per day for Part-Time Benefited and 8 hours per day for Full-Time staff); in these cases, employees will be able to work down these legacy balances in the form of hours and will be encouraged to do so by December 31, 2020.
6. Of note is that the attached Notice reflects no change to the combined total of Observed and Floating Holidays (15), just a modification to the mix of them: from 13 Observed and 2 Floating to 9 Observed and 6 Floating. Clearly the Board may decide to reduce this total in the future, but staff recommends no change at present given the significance of the recent organizational and compensation changes that have been implemented in response to the COVID-19 pandemic.

## **District Notice 0001 - Personnel Rules and Regulations: Holiday Pay (Revised)**

This District Notice replaces the existing District Notice 0001, published November 27, 2018, and supersedes existing Rules and Regulations concerning Holiday pay, which will be revised to reflect its contents.

### **The District's Observed Holidays, allocation of Floating Holidays, and treatment of Holiday pay will be as follows:**

1. **Observed Holidays:** employees will be eligible for up to nine (9) Observed Holidays per calendar year, though this number may vary based on individual employee schedules, which will be reflected in all recruitment and new hire materials, effective immediately.
  - 1.1. The District will observe the following holidays, which align with Federal holidays but which may vary in terms of the specific day on which the holidays are observed: **New Year's Day, Martin Luther King Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, and Christmas Day.**
  - 1.2. When an Observed Holiday actually occurs on a weekend, which is possible for Independence Day, Christmas Day, and New Year's Day, the District will accommodate operating units with non-standard schedules, as outlined below.
    - 1.2.1. For operating units that work a standard Monday to Friday schedule (the majority of employees), the District will observe holidays in a fashion that is consistent with the Federal Government. For operating units whose employees work a non-standard schedule which includes weekends, the District will observe holidays on the actual date upon which they occur.
      - 1.2.1.1. Example: Independence Day falls on a Sunday in 2021. The Federal Government will observe the holiday on Monday, July 5, 2021. The District will observe the holiday on Monday, July 5th for employees whose operating units rely on a standard schedule. For units that operate on a non-standard schedule, the District will observe a holiday schedule that includes Sunday, July 4th, not July 5th.
    - 1.2.2. Prior to the onset of each calendar year, the District will formally establish which operating units will be subject to the Federal Government's dates for Observed Holidays and which will be subject to a non-standard schedule for Observed Holidays. Both the standard and non-standard Observed Holiday schedules will be communicated prior to the onset of the calendar year.
2. **Observed Holiday worked:** any non-exempt employee, regardless of benefit status (Pensioned, Regular, Part-Time Benefited, and Casual, defined below), will be paid at the rate of 1.5 times their normal pay rate for all hours worked on a Observed Holiday.
3. **Observed Holiday not-worked:** a non-exempt employee who would normally be scheduled to work on a day on which an Observed Holiday falls but who does not work that day, will receive

Holiday pay that is based upon his/her standard pay rate. A standard number of hours (6 hours for a Part-Time Benefited employee and 8 hours for Full-Time Regular and non-exempt Pensioned employees) will be used to calculate holiday pay (provided the employee is on paid status the day prior to the holiday and the day following the holiday).

4. If a non-exempt benefited or Casual employee is not normally scheduled to work on a day on which an Observed Holiday occurs, they shall not be granted paid holiday leave for that day. Effective with this District Notice, the District will no longer allow benefited employees who are not normally scheduled to work on the day on which an Observed Holiday occurs to designate another day within the same pay period as a holiday not worked.
5. No employee who is required to work on an Observed Holiday will be eligible to identify, and be paid for, an alternative day to report time-not-worked for the Observed Holiday that he/she actually worked (a reference to prior, inactive, District policy).
6. **Floating Holidays:** in addition to the aforementioned Observed Holidays, and in an attempt to recognize the diversity of our employees, all benefited employees shall be granted six (6) Floating Holidays on January 1st each year.
  - 6.1. To facilitate scheduling, employees will be required to submit all of their requests for Floating Holidays (via the Kronos application) by the end of January each year. Supervisors or managers, as applicable, will respond to each request no later than February 15<sup>th</sup> (or earlier if the request is submitted for a date prior to February 15<sup>th</sup> as long as such requests are submitted with at least two weeks' notice prior to the requested day(s) off) and will work with each employee whose request has been denied to explain their decision and to work with the employee to establish an alternative date. Supervisor and manager discretion in reviewing time off requests is required to ensure that customer service and/or important deliverables are not impacted. These decisions will be made objectively and should be based upon criteria such as seniority, submission timing, and the aforementioned customer service and/or deliverable considerations.
  - 6.2. As of the effective date of this District Notice, Floating Holidays may only be taken in the form of full days off in order to minimize scheduling challenges. No longer will Floating Holidays be denominated in hours.
  - 6.3. For Payroll purposes, the District will treat a Floating Holiday like an Observed Holiday: Part-Time Benefited employees will receive the equivalent of six (6) hours of pay for each Floating Holiday reported, while Full-Time employees will receive the equivalent of eight (8) hours of pay.
  - 6.4. If circumstances are such that a supervisor determines that an employee is needed to work on a date that had previously been approved as a Floating Holiday, the supervisor will work with the employee to identify an alternative date for the employee to schedule the Floating Holiday. Hours worked on the originally scheduled Floating Holiday will be paid at the employee's normal pay rate. In the rare case that an alternative date cannot be

identified (likely only very late in the calendar year), the employee will earn 1.5x his/her normal pay rate for hours worked on that day.

- 6.5. Floating Holiday allocations will be pro-rated as follows for new employees who join the District after January 1<sup>st</sup>:

Start Date	Floating Holidays Awarded in Year of Hire
Jan-Feb	5
Mar-Apr	4
May-Jun	3
Jul-Aug	2
Sep-Oct	1
Nov-Dec	0

- 6.6. Floating Holidays not used as of December 31st of each year cannot be carried over to the new calendar year and will be lost. In addition, and as documented in District Notice 0005 - Reduction in Force, Floating Holiday balances that exist at the time an employee leaves the District will have no cash-out value upon termination.

**7. Definitions:**

- 7.1. **Pensioned employees:** includes all exempt employees and non-exempt Full-Time employees who are currently included in the Alameda County Employees' Retirement Association (ACERA) pension plan;
- 7.2. **Regular employees:** non-exempt, full-time benefited;
- 7.3. **Part-Time Benefited employees:** non-exempt, part-time benefited staff who work a minimum of 1,456 hours per 12-month measurement period (see below) and a maximum of 1,664 hours per 12-month measurement period, which can only be exceeded with the prior approval of the General Manager (rare);
- 7.4. **Casual employees:** non-benefited, typically (but not necessarily) seasonal staff whose hours cannot exceed 1,560 in the 12-month measurement period; and
- 7.5. **12-month measurement period for hours worked:** to comply with reporting requirements for the Affordable Care Act (ACA), the District measures hours worked for all staff for a standard 12-month period that ends mid- November each year. We will use this same 12-month period for purposes of managing the hours of Part-Time Benefited and Casual staff.

**Sections Removed from Original District Notice 0001:**

1. When an Observed Holiday occurs on a day of the week on which a benefited employee is not scheduled to work, the employee can coordinate with his/her supervisor to identify an alternative day, during that same pay period, for which the employee will report a holiday-not-worked. As outlined above in item 2, his/her standard pay rate will applied to a standard number of hours (6 hours for a Part-Time Benefited employee and 8 for Full-Time Regular and non-exempt Pensioned employees) in order to calculate holiday pay.
2. The District recognizes the following holidays: New Year's Eve Day, New Year's Day, Martin Luther King Day, Presidents' Day, Spring Holiday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Eve Day and Christmas Day.