



Town of New Castle Administration Department

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Memorandum

To: Mayor & Council
From: David Reynolds
Re: Council Agenda Item: "**Employee Handbook Review**"
Date: 1-30-19

Purpose:

The purpose of the Feb. 5th Council Agenda Item "Update: Employee Handbook Committee" is to briefly inform Council regarding a Committee Meeting which was held in order to review various elements of the Employee Handbook.

At a Council Meeting in late 2018 Staff was directed to form a Committee and work jointly with Council Members Brandy Copeland and Scott Owens in order to review the Town's *Employee Handbook*. With the last review of this handbook being performed in 2009, and with recent questions regarding the interpretation of various sections of this handbook, it has become clear that a review and possible edits of the Employee Handbook may be in order.

During this update Staff will provide Council with a look at some of the items that have been discussed by this Committee, as well as possible items for future discussion.

Attachment:

Attached in this agenda packet please find "*Employee Handbook Committee Findings.*" This document represents the findings of the Committee and will be the outline for this review and discussion if needed.



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Employee Handbook Committee Findings

Date: Jan. 24, 2019

Committee Members: Town Council Members - Brandy Copeland & Scott Owens
Staff Members – John Wenzel, Tony Pagni, Loni Burk, Dave Reynolds

Topics Covered Included:

Handbook Section 6.7 & 6.9

These sections have wording that has led to multiple and varying interpretations of Sick Pay Conversion Benefits.

The Committee reviewed these sections and determined that there is no issue with the wording as stated. The problem is in the interpretation which has been modified over the years to include payouts to employees that did not meet the stated goals of the policy. The conclusion by the Committee is to leave the policy as stated and begin to administer the policy as stated.

Handbook Section 6.1, 6.2, 6.3

These sections may need clarification on how benefits relate to 40 hrs. of scheduled time vs. actual time.

The concern in these sections was that in the past, Part-Time Employees who were scheduled to work less than 32 hours per week were not offered benefits on a pro-rated basis as described in Section 6.2. The conclusion of the Committee is that this the stated policy was not understood properly and not administered properly. The Committee agreed that the current wording is ok as is in these sections.

Handbook Section 6.4

In this section (320 hrs.) needs to be clarified for Police Department time of (400 hrs).

This section explains that there is a *Vacation Accrual Cap of 40 Days* for each employee. The policy also defines the 40 Days as 320 hours (320 hours x 8 hours work days = 40 Days). This policy as stated does not account for the fact that the Police Department works 10-hour days. As a result 320 hours would only equal 32 days to a Police Officer.

The Committee's conclusion was to add wording to Section 6.4 which allows Police Officers who work 10 hour shifts to accrue 400 hours of vacation time which will equal 40 days as intended by the policy.

Handbook Section 6.5

Currently Section 6.5 states that only under the condition of a *genuine financial emergency* and *after having taken 40 hours of vacation time off during the year* can an employee request cash payment in exchange for accrued vacation time.

After discussion with the Committee it was found that the element of having to prove a *genuine financial emergency* is not a realistic measure by which to require an employee to prove before requested accrued vacation pay. It was also noted that there have been examples of employees who were unable to take all of their accrued vacation time during a given year due to pressures on staffing levels.

The Committee concluded that it would be appropriate to remove the requirement of having employees prove a genuine financial emergency. It was also noted that Employees and Department Heads should be encouraged to work toward coordination of vacation dates within departments as best as practical in order to assure that all staff remains able to utilize accrued vacation time as actual time off.

Handbook Section 7.1

This section (along with sections 5.1 & 5.2) deals with performance reviews and wage adjustments. After discussion by the Committee it is agreed that while there is no specific issue with these sections as written, there may be opportunity for improvement outside of this policy. Staff has decided that the addition of a budget line item designated toward merit pay increases may be a good idea. Because the practical nature of employment with the Town recognizes that it is possible for employees to move between positions, be promoted to higher positions, secure additional certifications, degrees, or licenses, it is necessary to have funds set aside for potential changes to our budgeted salary line items. Recognizing that changes can occur throughout the year and being prepared financially for if those changes occur will work to complement the existing policies.

Handbook Additional Policy Needs:

The Committee discussed the fact that the current Handbook does not satisfactorily cover the topic of Probationary Periods or how these Probationary Periods may relate to the start of benefit accrual.

It was concluded by the Committee that a Probationary period needs to be defined. Staff feels that a probation period of 90 days is a reasonable time by which to conclude that a newly hired employee is the proper fit for the position. Staff also feels that if a new hire is hired for a position that is to be defined as a salaried (exempt), the benefit of *Administrative Leave Hours* should not begin to accrue or be eligible for award until the employee satisfactorily completes his / her probationary period.

It was also discussed by the Committee that the issuance of Administrative Leave Hours at the rate of 40 hours per year may not be equitable for all salaried positions. Discussion included the idea that the Administrative Leave Hours might be a benefit that is best defined on a case by case basis. The creation of this as a blanket policy may not provide the flexibility that a Department Head might desire when calculating how to compensate his / her staff.

Brief discussion also suggested that there can sometimes be confusion among salaried staff as to the designed use of Administrative Leave Time. This topic was concluded to be more of an issue of setting expectations with staff rather than a policy adjustment question.

Committee Meeting Conclusion:

- ✚ This meeting concluded with the idea of reconvening one more time (perhaps via email exchange) to review the exact edits to the Employee Handbook and to approve the final changes prior to bringing it before Council for Adoption.
- ✚ The Committee also discussed a possible future meeting to explore the idea of reworking the Employee Leave Benefits to a new system for tracking time off such as Vacation Pay, Administrative Leave, Holidays, Floating Holidays and Sick Time in one simplified pool of time off called "Paid Time Off." The idea of this new system would be that all types of time off are viewed the same. This would eliminate the need to track many various types of time off.