

**MEMORANDUM
PERSONNEL DEPARTMENT
COUNTY OF PLACER**

To: Board of Supervisors
From: Nancy Nittler, Personnel Director *NN*
By: Becky Nelson, Personnel Services Manager *BAN*
Date: July 8, 2008
Subject: Approve a Side Letter Agreement with Placer Public Employees' Organization Regarding Holiday Pay Processing as a result of the Payroll Side Table Agreed to in the 2006-2010 Memorandum of Understanding

Recommendation

Approve the attached side letter of agreement with the Placer Public Employees' Organization (PPEO) reorganizing current holiday pay benefits into a new package.

Background

There have been some inconsistent practices on the processing of holiday pay benefits which PPEO brought to the County's attention during the 2006-2010 contract negotiations. It was agreed to conduct payroll side table meet and confer sessions to determine current practices and document payroll best practices. The attached side letter clarifies and documents the agreed upon holiday pay practices to facilitate consistency throughout the County and provide training documentation for departmental payroll staff.

In addition to clarifying and documenting practices, this side letter restructures the benefit associated with holidays that fall on an employee's regular day off. Currently, employees who are on an alternative work schedule such as a 9/80 (8 9-hour workdays, 1 8-hour workday and 1 day off per pay period) have their holiday hours added to their vacation balance in order to avoid the payment of overtime when the holiday falls on the employee's day off during the pay period. The change agreed upon was that the holiday hours would be added to a separate holiday credit account which would have any hours over forty cashed out each fiscal year. This reorganized benefit prevents holiday hours from artificially inflating the employee's vacation balance and assures that the majority of holiday hours are paid at the employee's current hourly rate. The holiday credit account also provide a mechanism for employee's to see "when" they use deferred holiday hours rather than it being less clear as merged into their vacation balance.

Fiscal Impact

It is anticipated that this side letter will be cost neutral. However, since holiday practices will be clarified and documented, the benefits will be better controlled which may result in cost-savings.

**SIDE LETTER OF AGREEMENT
PLACER PUBLIC EMPLOYEES' ORGANIZATION (PPEO)
HOLIDAY PAY**

This Side Letter of Agreement is entered into between the County of Placer and the PPEO ("Parties") as a result of meeting and conferring during the "payroll side table" as agreed to in the 2006-2010 MOU. The Parties mutually agree that:

A Holiday Credit Account will be created for the purpose of banking holiday hours that are earned by either a full-time or part-time employee for a holiday that falls on the employee's regularly scheduled day off. This Holiday Credit Account is different than and not subject to the same rules of use as vacation, sick leave, CTO and/or other leave accounts and may be used only pursuant to the use set forth under the terms of this side letter.

The following are declared holidays:

- A. January 1st
- B. Third Monday in January (Martin Luther King, Jr. Day)
- C. February 12th, (Lincoln's Day)
- D. The third Monday in February (President's Day)
- E. Last Monday in May (Memorial Day)
- F. July 4th
- G. First Monday in September (Labor Day)
- H. Second Monday in October (Columbus Day)
- I. November 11th (Veteran's Day)
- J. Thanksgiving Day
- K. The day following Thanksgiving Day
- L. December 25th

Effective July 13, 2008 County holidays will be administered according to the following provisions:

1. For county holidays falling on a Saturday, employees shall be entitled to a holiday the preceding Friday. For county holidays falling on a Sunday employees shall be entitled to a holiday the following Monday
2. Holiday Pay - A declared holiday constitutes eight working hours granted as time off with pay for full time employees. Part-time employee's holiday hours shall be pro-rated on the basis of his/her standard/scheduled hours to a 40-hour week. Rounding will occur to one decimal place
 - a. Example: $29 \text{ standard hours} / 40\text{-hour week} = .725 \times 8 = 5.8$ holiday hours off with pay.
3. Holiday Overtime - When an employee works on a county holiday regardless of whether the day is the employee's regular workday or regular day off (RDO), the employee shall be entitled to overtime compensation, or compensatory time off for actual hours worked in addition to holiday pay.

- a. Example: A full-time employee who works eight hours on a holiday would receive eight hours of overtime at time and one half of his/her base hourly rate in addition to eight hours of holiday pay paid at his/her base hourly rate of pay; or two and one-half times his/her base hourly rate.
 - b. A part-time employee who works on a holiday shall be entitled to either holiday overtime, or compensatory time off regardless of the number of hours he/she has worked in the holiday week.
4. For county holidays falling on a full-time employee's RDO for employees working other than a normal Monday through Friday schedule (i.e., 9-80, 4/10, etc.), such employees shall have an additional eight hours credited to his/her holiday credit account.
5. If an employee works on a holiday on what would have been an employee's regular work day, the earnings received for working on the holiday, up to a maximum of 8 hours, is a PERSable earning reported as special compensation ONLY when working on the holiday is not discretionary due to the business being performed, i.e., Jail, Dispatch, Wastewater Treatment Plant, ACCESS, etc. This provision will be monitored for compliance with the Public Employees' Retirement System's (PERS) requirements.
 - a. Any hours worked over 8 on a holiday are considered regular overtime and not reportable to PERS.
6. An employee who works on a holiday at the discretion of the supervisor or manager is not eligible to have the compensation reported to PERS as special compensation.
7. The work schedule or RDO of an employee on a 9/80 alternative work schedule may not be changed to accommodate holiday work schedule issues.
8. Employees on alternative works schedules shall be required to use leave balances when a holiday falls on a regularly scheduled work day to make up the difference between the holiday hours and the number of hours he/she would normally have worked. The only exceptions to this provision are:
 - a. The employee obtains written approval to work additional hours at a straight time rate during the holiday week to substitute for leave hours, or
 - b. The employee works on the holiday and requests, in writing, to use hours worked, applied at straight time, to his/her regularly assigned number of hours.
9. In the event an employee is on authorized sick leave and a county holiday falls on any regularly scheduled workday of an employee working a 9/80 pay period involving more than an eight hour workday, an additional one hour sick leave shall be charged against such employee's accrued sick leave time. In the case of a 4/10 pay period program, an additional two

hours' sick leave shall be charged against such employee's accrued sick leave time.

- a. The appropriate number of hours shall be charged against an employee's sick leave balance for any other workday alternative. For example, an additional four hours' sick leave shall be charged for full-time employees on 12 hour shifts.

10 A part-time employee shall be paid for county holidays that fall on his/her normal day off, at their base hourly rate of pay, in the same ratio as their hourly work schedule bears to the normal work schedule of a full-time employee unless he/she requests, in writing, that the holiday hours be added to his/her holiday credit account.

- a. If the pro-rated paid holiday hours result in the employee receiving less pay than he/she would normally be scheduled to receive during a holiday week, his/her vacation, holiday credit or compensatory time off balance will be charged for the additional hour(s), unless the employee requests, in writing, that his/her leave balances not be used.
- b. Vacation, holiday credit or compensatory time off hours cannot be used to pay a part-time employee for more hours than he/she would normally receive.

11. A supervisor may adjust a part-time employee's work schedule during a holiday week with five (5) calendar days advance notice so that the employee does not receive more paid hours than he/she would normally be paid.

12. An employee must be in a paid status on his/her regularly scheduled workday preceding a holiday to be eligible to receive paid holiday hours.

13. Any request to use holiday credit banked hours for personal time off must be made at least 48 hours in advance. Holiday credit banked hours may be used for integration with either State Disability Insurance (SDI) and Workers' Compensation (WC) benefits

14. Any holiday credit banked hours in excess of forty (40) hours not used by the end of pay period 1, after adjusting the balance for any hours earned or used during that same pay period, shall be paid in cash.

15. Compensation for any holiday credit banked hours balance not used at the time of termination shall be included in the employee's final paycheck.

Floating Holiday

16 During the first full pay period of the calendar year, full-time employees will be credited with eight hours floating holiday. Hours shall be prorated for part-time employees using the formula identified under number 2 above.

17. New employees who are not able to complete six months (1040 regular pay equivalent/straight time hours) prior to December 31st, shall not be eligible for any floating holiday in the year he/she is hired.

18. Floating holiday must be taken in full-day or half-day (four hours or pro-ration for part-time employees) increments.
19. Any request to use floating holiday hours must be made at least 48 hours in advance. Management will make every effort to allow employees to take the time off at their choosing.
20. The requirement to use Floating holiday in full-day or half-day increments will be suspended for the purposes of integrating paid leave with SDI and WC benefits when requested in writing by the employee.
21. Employees are responsible for using their floating holiday before the end of each calendar year.
22. Any floating holiday not used by the last full pay period in a calendar year will be rolled over to the next year. However, as of the first full pay period of each year, only two floating holidays (16 hours maximum) will be available for that calendar year.
23. Employees may not elect pay in lieu of taking a floating holiday.
24. An employee may use a floating holiday as the employee's last day of employment. Compensation for any floating holiday earned but not used at the time of termination shall be included in the employee's final paycheck.

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PLACER PUBLIC EMPLOYEES' ORGANIZATION (PPEO)
HOLIDAY PAY**

This agreement is the result of meeting and conferring between the parties and is a full understanding on the above matter. This Side Letter of Agreement supersedes any conflicting provisions contained in the Administrative Rules, the Placer County Code, and the PPEO MOU. This Side Letter of Agreement will be incorporated into the next negotiated Memorandum of Understanding between the Parties.

COUNTY OF PLACER

Jim Holmes, Chairman, Board of Supervisors

Date

Thomas Miller, County Executive Officer

Date

Nancy Nittler, Personnel Director

Date

PLACER PUBLIC EMPLOYEES' ORGANIZATION

Chuck Thiel, Business Representative

Date

Kathy Widing, Business Representative

Date

Jerry Kalmar, Business Manager

Date

Joan Bryant, Director of Public Employees

Date

Jake Mucher, PPEO President

Date

