

LIVERMORE AREA RECREATION AND PARK DISTRICT

PERSONNEL COMMITTEE

MINUTES

Tuesday, September 12, 2023
3:00 PM

Committee Members Present: James Boswell, Jan Palajac

LARPD Staff Present: Mat Fuzie, Linda VanBuskirk, Michelle Kleman, Pamela Healy, Chelynn Watkins, Jeff Schneider

Members of the Public Present: None

- 1. Call to Order:** Committee Chair Boswell called the meeting to order at 3:02 p.m. All committee members were present.
- 2. Public Comment:** Chair Boswell opened the Public Comment period. As no members of the public were present, there were no public comments. Chair Boswell closed the Public Comment period.
- 3. Approval of the Minutes of the Personnel Committee Meeting held on August 8, 2023:**
Action: The minutes of the Personnel Committee held on August 8, 2023, were approved unanimously as written.
- 4. Employment at Will vs. Competitive Service – (The Future Path of the District):** General Manager (GM) Fuzie commented, we have been discussing this to determine where we are philosophically.

Human Resources Manager (HRM) Michelle Kleman shared a presentation. The presentation covered the following:

- Fundamentally: LARPD has many philosophical questions to answer, such as “who are we?”
- Are we working under the competitive service doctrine or employment-at-will? Most of our old policies reference competitive service for continuing employees, however, we have not consistently been operating this way.
- We are not required to operate under competitive service.

HRM Kleman reviewed the comparison chart on page 5, comparing the features of Employment at Will with Competitive Service. Discussion ensued as to the pros and cons of operating as one vs. the other, step increases vs. merit increases, and performance management vs. discipline-based performance review.

HRM Kleman commented on the merits of developing and implementing a performance management system that ties together all phases of the employment experience.

GM Fuzie recommended letting the Board know our plan is to move forward as employment-at-will, that all obsolete policies will be retired, with new policies to be implemented that supersede all prior policies.

Committee Questions and Comments:

- The Committee recommended this go through legal review and then brought before the Board as an informational item.

➤ **Action:** The Committee recommended this go through legal review and then brought before the Board as an informational item.

5. 2024/2025 Health Care Premiums and Impact on Employees: Last year the Board acted to move to a standard of 75% Kaiser Family coverage by the District. GM Fuzie recommended remaining with the same percentage standard for another year and have staff examine where we are a year from now. He added, we need to roll this out to employees now, so there is enough lead time for them to make decisions.

HRM Kleman and Senior Human Resources Analyst (SHRA) Chelynn Watkins then shared and reviewed a presentation (attached).

SHRA Watkins reviewed health care premium renewal rates for 2024 (refer to Healthcare Headwinds, page 8, Cost to Employer and Employee, page 10 and Key Data Points, page 11). The rate increases are projected to impact approximately 18 employees.

Committee Comments and Questions:

- What do other companies do to cover costs? *SHRA Watkins explained, some options include:*
 - a) *Cost share*
 - b) *Shift costs to the employer,*
 - c) *Plan shift/change to plan design.*
 - d) *Implement wellness plans.*
 - e) *High deductible plan with an HSA*
- We are tied to Alameda County; they are forecasting another double-digit premium increase in 2025.
- Is there another larger group we can be a part of? This was looked at previously but not expansively.
- With regards to the impact on our total compensation package, changes to health care coverage will impact what we are able to do in other areas such as COLA.

➤ **Actions:**

- Maintain the previously approved standard of 75% Kaiser Family coverage by the District.
- Staff will meet with the 18 impacted employees and determine how to help them with the impact of the increase.
- At the appropriate future time, staff will examine alternative recommendations.
- The committee will inform the Board.

6. Directors' and/or General Manager's Reports or Announcements:

- Director Palajac noted she will be on vacation next month and unable to attend the October Personnel Committee meeting. *Staff will contact the alternate committee member to attend.*
- GM Fuzie shared the following:
 - Our Municipal Service Review (MSR) was submitted this week. The City of Livermore (COL) City Manager has already been contacted to comment on the MSR in general.
 - Assembly Constitutional Amendment (ACA) 1 and ACA 13 (local control) made it from committee this week, goes to senate tomorrow.
 - Business Services Manager Jeffrey Schneider mentioned that the District will not make as much interest on its investments due to interest rates rising. The District will sign up for California CLASS, which stands for the California Cooperative Liquid Assets Securities System, investment solutions designed for California public agencies.

7. Adjournment: The meeting was adjourned at 4:07 p.m.

/ph

LARPD
Personnel
Committee
September 12,
2023



Who are we?

LARPD has many philosophical questions to answer

- What is our value proposition to employees? (Comp/benefits/quality of work?)
- What kind of organization do we want to be? (A learning organization, training feeder for other groups?)
- How do we manage performance success? (Increased customer satisfaction, streamlined operations, employee retention.)
- What kind of employer do we want to be? (Not corporate and not family. Somewhere in between.)

Before I can fully address these questions, we need to have one fundamental question answered.

Are we working under competitive service doctrine or employment at will?

Competitive service definition

The competitive service is a hiring authority in the US federal government that includes all civil service positions in the executive branch of the Federal Government. Individuals must go through a competitive hiring process before being appointed, which is open to all applicants. Competitive Service positions are subject to civil service laws passed by Congress to ensure all applicants and Employees receive fair and equal treatment in the hiring process.

- Most of our old policies reference competitive service for continuing employees
- We have not been operating this way

Employment at will

Employment at will is a legal doctrine that allows employers to terminate an employee's employment at any time for any reason, without a need to establish a "just cause" for termination. The doctrine also allows employees to leave their job at any time, without providing a reason or notice.

The doctrine offers benefits and disadvantages to both employers and employees.

Employers can terminate at-will employees for any reason, which means they can make changes to their workforce with limited legal pushback. On the other hand, employees can use their status as at-will employees for leverage if needed.

They can pursue their individual career goals and leave positions that no longer benefit them.

Employment at Will

Applicants are considered based on the requirements of the job

Candidate slates are built based off of the job description and the outlined skills and abilities for the role

Targeted recruiting for key roles AND fair review with qualified candidates

Promotions may occur as employees are increasing their scope and breadth of duties

New Positions are created and posted if the job is more than 20% different than a current role or the scope and responsibility expands based on business needs.

Titles may be amended to best represent market needs for recruiting and benchmarking

Performance management is the guiding practice and is intended to assure alignment with goals and performance

Discipline is applied based on policy

Grievances regarding discipline or performance are handled through the performance management process or through outside legal options

Terminations can theoretically occur for any reason

Lay offs and reorganizations are completed in accordance with employment laws

Rehire rights are based on the employment needs of the organization and the skill sets required in the remaining roles

Step increases occur at the anniversary mark or the determined next step date

Medical examinations are required for those employees that are licensed

Competitive Service

Preference is given for veteran service or previous time in the organization

Candidate slates are driven by prior candidates and eligibility lists

Post the role and see who applies

Employees that are working out of class may be reclassified

New positions are approved by the Board

Title changes go to the Board

The discipline policy may apply

Discipline is applied based on policy

Grievances are handled through the personnel commission or an appointed ombudsperson

Terminations occur for just cause

Layoffs and reorganizations follow a bumping process with reemployment rights (already amended via a district notice)

Rehires are completed based off of seniority (already amended based on district notice)

Step increases occur at the anniversary mark or the determined next step date

Medical examinations for all

Performance management systems

Performance management is an integrated system that ties all pieces of the employment experience together.

- Begins with who you hire and why.
- Know what you value, need and reward in employees.
- Set goals and expectations, hold people accountable and reward based on achievement.
- Provide feedback for their development, organizational alignment, and to ensure adequate performance is achieved and maintained.

It all ties together. A review without this system is just a review, delivered and forgotten.

Thoughts?

Healthcare headwinds

Medical Carrier	2024 Final Renewal Increase
Kaiser	14.07%
UHC Value HMO	13.48%
UHC Signature Value Advantage	13.48%

Rationale from carriers

- **Kaiser**
 - Kaiser Permanente justified the higher than usual rate renewal based on increased demand for care resulted in higher utilization, while inflation and labor shortages substantially increased the cost of care delivery as well as ongoing recovery from the COVID-19 pandemic.
 - Kaiser reported operating losses of nearly \$1.2B over the past two years.
 - Kaiser also anticipates higher than normative renewals in PY 2025.
- **UHC**
 - UHC indicated the increase is partially due to a “return to normal” as curtailment of needed medical services, which occurred during the COVID-19 pandemic, inflationary trends, and labor shortages.
 - High-cost claimants and high inpatient and outpatient utilization among the UHC membership as compared to normative benchmarks also impacted the rates. Resulting premium increase is high compared to historical renewals.

Cost to employer and employee

Health Plan	Coverage Level	Number of Enrolled Employees	2023 Monthly Cost	EE Monthly Cost	2024 Monthly Cost	EE Monthly Cost
Kaiser HMO	EE Only	34	\$865.04	\$0.00	\$986.78	\$0.00
	EE + 1 Dep	35	\$1,730.08	\$0.00	\$1,973.56	\$0.00
	EE+ Family	15	\$2,448.08	\$612.08	\$2,792.60	\$698.15
UHC Signature Value HMO	EE Only	9	\$1,290.92	\$0.00	\$1,464.90	\$0.00
	EE + 1 Dep	2	\$2,581.72	\$745.72	\$2,929.64	\$835.19
	EE+ Family	0	\$3,653.08	\$1,817.08	\$4,145.40	\$2,050.95
UHC Signature Value Advantage HMO	EE Only	0	\$843.94	\$0.00	\$957.68	\$0.00
	EE + 1 Dep	2	\$1,687.72	\$0.00	\$1,915.18	\$0.00
	EE+ Family	1	\$2,388.08	\$552.08	\$2,709.92	\$615.47
Total Monthly Cost			\$149,230.60	\$11,224.72	\$170,097.78	\$12,758.10

Key Data Points

Our benefits strategy for our employees is to cover 75% of the cost of the Kaiser family premium.



In 2023, LARPD covered \$1836.06 a month in medical premiums



In 2024, LARPD will cover \$2094.45 a month in medical premiums

Alameda is forecasting another double-digit premium increase in 2025



Based on our current enrollment 18 employees will see an increase deduction amount which varies from \$63.39-\$89.47 a month



LARPD's monthly increase will be \$20,867.18 or \$250,406.16 annually