

CENTRE REGION COUNCIL OF GOVERNMENTS

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HUMAN RESOURCES COMMITTEE

COG Forum Room

2643 Gateway Drive

Wednesday, October 5, 2016

12:00 Noon

AGENDA

1. CALL TO ORDER

Chairman Nigel Wilson will convene the meeting.

2. CITIZEN COMMENTS

Members of the public are invited to comment on any items not already on the agenda (five minutes per person time limit, please). Comments relating to specific items on the agenda should be deferred until that point in the meeting.

3. APPROVAL OF MINUTES

A copy of the minutes from the September 7, 2016 Human Resources Committee meeting is *enclosed* for approval.

4. CRPA PART TIME PLANNER JOB DESCRIPTION

Mr. Jim May, CRPA Director asks the Human Resources Committee to review and consider approving a job description for the Planner position in the CRPA. This is a follow up to the September 7, 2016 Human Resources Committee where the Committee approved the reclassification of a half-time Senior Planner position to a part-time Planner position.

The CRPA Director developed the draft Planner job description on a combination the skills, duties, responsibilities, education, and qualifications needed to meet the needs of the Agency and a review of a number of similar job descriptions from other planning agencies.

Enclosed for the Committee's consideration is a draft job description. To proceed, the Committee should consider the following motion:

“That the Human Resources Committee approves the part-time Planner job description.”

5. FLSA REGULATIONS CHANGING EFFECTIVE 12/1/16

As discussed at the September meeting of the Human Resources Committee, effective December 1, 2016, the Department of Labor has made updates to the regulations governing the exemption of executive, administrative, and professional (“EAP”) employees from the minimum wage and overtime pay protections of the Fair Labor Standards Act (“FLSA” or “Act”). As a result of this directive the Department of Labor proposed the following three changes:

- a. Sets the standard salary level at the 40th percentile of earnings of full-time salaried workers in the lowest-wage Census Region, currently the South, which is \$913 per week or \$47,476 annually for a full-year worker. The current salary level is \$23,660.
- b. Sets the total annual compensation requirement for highly compensated employees (HCE) subject to a minimal duties test to the annual equivalent of the 90th percentile of full-time salaried workers nationally, which is \$134,004; and
- c. Establishes a mechanism for automatically updating the salary and compensation levels every three years to maintain the levels at the above percentiles and to ensure that they continue to provide useful and effective tests for exemption

Since the September meeting of the HR Committee, the Agency Directors have met as a group to discuss how these changes will impact their agencies. COG staff have continued to educate themselves on the new FLSA regulations, researching and participating in webinars offered by Manufacturer and Business Association, as well as Pennsylvania State Association of Township Supervisors (PSATS).

What we have learned:

- There are two components behind the regulation; duties and salaries. Only one of these components has changed; the salary threshold. It is important to note that the mandated salary threshold increases over time and these higher levels will impact future COG Budgets.
- Encouraged to review job descriptions to ensure the positions are correctly classified as exempt or non-exempt. It has been suggested that this review should be completed annually.
- All hours for non-exempt employees must be logged.
- Overtime is paid on actual hours *worked*, does not include paid time off. For example, an employee takes 8 hours vacation on Monday, works 32 hours Tuesday through Friday, but needs to stay to work over 3 hours on Friday night. Actual hours worked is only 35 and overtime would not need to be paid, even though total pay check is for 43 hours.
- We can compensate using Comp Time, Flex Time or by paying Over Time. Local Government is exempt and may still use Comp Time. Flex time must be utilized in a 40 hour work week.

- The changes can potentially have a large impact on staff morale and COG should be fair and cautious implementing the changes.
- There is a large education component to the new FLSA regulations for Management and Staff. All staff must understand what is expected of them if they are non-exempt. COG should make clear that non-exempt employees are not permitted to work unapproved overtime, including checking messages or emails while off the clock, work from home, etc. Supervisory staff must also be trained to ensure their non-exempt staff time is being monitored, recorded properly and that staff are taking breaks as required.

Enclosed is a spreadsheet that provides a summary of COG positions, currently classified as exempt that will be impacted by the new FLSA salary threshold and the potential financial impact on the COG budgets. Please note that overtime is only an estimated figure, as currently staff are not tracking all hours worked, nor logging hours for study time, travel and conferences for non-exempt employees. The cost estimates relating to the Millbrook Marsh Nature Center and the Centre Region Active Adult Center have not been finalized at the time agenda packet is being prepared.

For purposes of equality across agencies and in order to allow COG more time to assess job descriptions and actual overtime necessary, the Agency Directors, HR Officer, and Executive Director recommend the following actions be implemented prior to December 1, 2016:

- Add a single new line item for “overtime” to the Personnel Schedule in the Detailed Budget, using Agency Directors best estimates
- Implement time card use for all non-exempt employees
- Provide in-house training to the Agency Directors, Office Managers, Supervisory Staff and non-exempt employees on how the FLSA law has changed, overtime approval process and eligibility, proper use of comp/flex time and time cards.
- Establish procedures for authorizing the use of overtime that may include the prior approval of the Agency Director.

During the first six months of 2017 Agency Directors and Management staff will identify how much overtime is being used and whether or not it is justified, and determined if job description changes and/or operational changes are necessary for any positions. In addition, it is recommended that the exempt/non-exempt status of the full-time positions in the COG be reviewed by the COG Solicitor/HR consultant prior to implementation and the preparation of the 2018 program plan.

In the meantime, COG staff will also continue to educate themselves on the topic and several staff are registered to attend the CBICC sponsored educational opportunity on FLSA regulations on October 4, 2016.

The Human Resources Committee should review the COG staff proposals for responding to the changes in FLSA regulations and note areas of concern.

6. OTHER BUSINESS

- A. Matter of Record - The COG Executive Director has recommended to the Finance Committee consideration of a proposal to increase the 2017 cost of living allowance from .007% to .01. Mr. Steff will discuss this recommendation in more detail at the Committee meeting.

- B. Matter of Record - The COG anticipates receiving its premium quotes for health insurance on October 11, 2016. The agencies have budgeted for a 9% increase. However, the effective increase is anticipated to be 7% because \$104,000 from the Insurance Reserve Budget will be applied to the 2017 premiums. This Budget is funded through reimbursements that the COG receives when premiums paid to the health care provider are more than the medical expenses incurred.

- C. Matter of Record - Beginning in 2016, Capital Blue Cross (CBC) offered Wellness Dollars to members of the Pennsylvania Municipal Health Insurance Cooperative (PMHIC). There were 15 grants available at \$1,000 per member. The COG applied for the Wellness Grant Program and has been selected as 1 of the 15 grant recipients. The grant is to be used between August 1, 2016 and December 31, 2016 on COG's flu shot clinics. Any remaining balance may be used towards other wellness expenses as specified in the grant application guidelines.

7. ADJOURNMENT