



**CITY COUNCIL AGENDA REPORT**  
**MEETING DATE** 11/15/2022  
**DEPARTMENT:** Management Services

---

**SUBJECT:**

AMENDMENT OF PERSONNEL RULES AND REGULATIONS

**RECOMMENDED ACTION(S):**

Adopt a Resolution entitled: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST, CALIFORNIA, APPROVING THE AMENDMENT OF THE PERSONNEL RULES AND REGULATIONS.

---

**EXECUTIVE SUMMARY:**

The Personnel Rules and Regulations (“Personnel Rules”) is a guiding policy for the administration of staff. The Personnel Rules govern employee conduct in performing the City’s important business. The Personnel Rules were last updated via City Council approval on September 1, 2015. As with other policies, the Personnel Rules need to be updated periodically to address changes in law, best practices, and the City’s operations. After a thorough review of the Personnel Rules, staff proposes amendments to seven of the chapters and Exhibit A. Exhibit A updates the health insurance premiums provided to full-time employees for 2023 calendar year at an estimated additional cost of \$16,858.

If approved, the updated Personnel Rules and Regulations will be effective as of November 15, 2022, and Exhibit A will be in effect January 1, 2023. Staff will continue monitoring any legal developments in this area of public employee personnel management and present future amendments to the Personnel Rules as needed.

---

**BACKGROUND:**

The City of Lake Forest Municipal Code (“Municipal Code”) Sections 2.60.030 and 2.60.050 authorize the adoption of personnel policies and procedures by the City Manager and that they be reviewed by the City Council (Attachment 1). The Municipal Code establishes that the City Manager, or the City Manager’s designee, shall administer the City personnel system.

Originally written upon the incorporation of the City and last updated in 2015, the City's Personnel Rules have been amended over the years to accommodate changes in law, certain benefit provisions, and the need to modernize policies and procedures. The Personnel Rules consist of the following nine (9) chapters and one (1) exhibit:

Chapter 1 Introduction

Chapter 2 Recruitment, Selection, Appointment, and Probation

Chapter 3 Discipline

Chapter 4 Complaint and Grievance Procedure

Chapter 5 Separation from Service

Chapter 6 Compensation and Hours

Chapter 7 Employee Benefits

Chapter 8 Leave

Chapter 9 Miscellaneous (includes policies such as Non-Discrimination, Substance Abuse, etc.)

Exhibit A Benefits Matrix

---

## **DISCUSSION:**

Staff is proposing a series of revisions to the Personnel Rules to reflect changes in state law, updated practices, and recommendations from the City Attorney's Office. The proposed revisions would clarify and streamline language within the Personnel Rules. All proposed changes are summarized in Table 1 below. Minor changes to correct typographical errors are not included in Table 1. Staff has also attached an underline/strike-out version of the Personnel Rules highlighting these changes (Attachment 2).

**Table 1: Summary of Proposed Changes to Rules and Regulations and Exhibit A**

<b>Chapter 1 - Introduction</b>	
<b>Section</b>	<b>Change</b>
1.2 General Provisions Paragraph 2	Add language to update protected classes due to federal, state, and local laws.
1.6 Maintenance of Personnel Records Paragraph 3	Add language to update the period of time that a personnel record must be kept after termination.
<b>Chapter 2 - Recruitment, Selection, Appointment and Probation</b>	
<b>Section</b>	<b>Change</b>
2.2 Applicants and Applications Paragraph 1	Remove language of posting job announcements on City Hall bulletin board.
2.3 Pre-Employment Physical Examinations Paragraph 1	Add language to clarify the requirement of physical examinations.
2.3 Pre- Employment Physical Examinations Paragraph 2	Add language to clarify “safety sensitive.”
2.7 Probationary Period Paragraph 3	Add to language to clarify that days missed to extend probation are “working” days.
2.8 Background Investigation	Add language to clarify the types of background investigations and clarification of criminal convictions.

<b>Chapter 3 - Discipline</b>	
<b>Section</b>	<b>Change</b>
3.4 Imposition of Discipline Paragraph 1	Add clarification to the suspension and appeal rights.
<b>Chapter 6 - Compensation and Hours</b>	
<b>Section</b>	<b>Change</b>
6.7 Payroll Deductions	Add language to clarify employee payroll deductions.
6.9 Pay for Serving in a Higher Job Classification	Add language to clarify the definition of "consecutive."
<b>Chapter 7 - Employee Benefits</b>	
<b>Section</b>	<b>Change</b>
7.4 Cell Phone Allowance	Add language that the cell phone allowance is defined in the Benefits Matrix.
7.9 Long-Term Disability	Delete language of specific waiting period and add language to refer to contract for waiting period information.
7.10 Short-Term Disability	Delete language of specific waiting period and add language to refer to contract for waiting period information.
<b>Chapter 8 - Leave</b>	
<b>Section</b>	<b>Change</b>
8.2 Management Leave	Add language to update date of payout.
8.4 Sick Leave – Paragraph 1	Add language to part-time employees' sick leave usage.
8.4 Sick Leave – Paragraph 1	Update definition of family member in accordance with state law.
8.4 Sick Leave – Paragraph 1	Add language to update permitted uses of sick leave.
8.4 Sick Leave – Paragraph 3	Add language policy to remain current with federal and state laws.

**Chapter 8 - Leave Continued**

<b>Section</b>	<b>Change</b>
8.6 Bereavement Leave	Add language to add five days of unpaid leave due to state law.
8.7 Military Leave	Add language to update Military Leave provisions.
8.8 Leave of Absence Without Pay	Add language to update leave of absence to be consistent with other City rules.
8.9 Family School Partnership	Add language to update School Activity Leave.
8.11 Administrative of Leave	Add language to update leave of absence to be consistent with other City rules.

**Chapter 9 - Miscellaneous**

<b>Section</b>	<b>Change</b>
9.1 Non-Discrimination Policy	Add language to update the protected reasons to the Non-Discrimination policy.
9.3 Political Activities of Public Employees	Add language to clarify political activities of public employees.
9.7 Additional Policies Incorporated Herein	Remove language of "Herein" and update language to include location of policies.
9.7 Additional Policies Incorporated Herein	Add language to include Military Leave Policy.
9.8 Definition of Terms	Update language to Temporary Employee definition, term will not exceed 960 hours per year.

<b>Exhibit A</b>	
<b>Section</b>	<b>Change</b>
N/A	Update benefits matrix to incorporate increased monthly allotment offered to full-time employees for medical insurance in 2023.

Section 7.1 of the Personnel Rules states, “the City shall pay for medical, dental, and vision according to the benefits matrix contained in Exhibit A of these Personnel Rules.” The City contracts with the California Public Employees Retirement System (“CalPERS”) for twelve health insurance plans offered to employees, two of which are Preferred Provider Organization (PPO) and ten of which are Health Maintenance Organizations (HMO). As such, eligible employees may enroll in any of the twelve plans offered by CalPERS, and the City covers the cost of the plan up to a fixed dollar amount (i.e., “health contribution”) or 95% of the plan cost, whichever is less. In 2023, the CalPERS health insurance plans in which City employees are enrolled are increasing an average of 9.44%. As a result, the proposed matrix reflects a 4.5% increase to the health contribution (Attachment 2, Exhibit A) resulting in an estimated additional cost of \$16,858 for the 2023 calendar year.

Given the dynamic nature of public employee laws and regulations, staff will continue to monitor those subject areas and others that may affect the City’s Personnel Rules and return to the City Council on an as-needed basis. Changes to Exhibit A will return to the City Council independent from the Personnel Rules for any updates to the benefits matrix. Staff recommends that the City Council adopt the attached Resolution (Attachment 3), which revises the Personnel Rules.

**FISCAL IMPACT:**

The recommended action will result in an estimated cost of \$16,858 for the calendar year 2023 due to the increase in the City’s shared cost of the health insurance premiums provided to full time employees. The 2021-2023 Operating Budget includes sufficient funds to cover the costs of the recommended action.

**ATTACHMENTS:**

1. Lake Forest Municipal Code Excerpts
2. Proposed Personnel Rules and Regulations – Redline Version
3. Resolution Amending Personnel Rules and Regulations

Initiated By: Shelly Cisneros, Human Resources Manager

Submitted By: Brett Channing, Deputy City Manager

Approved By: Debra Rose, City Manager