



## CITY COUNCIL WORK SESSION MEMORANDUM

**TO:** City Council

**FROM:** Matthew R. Schmitz, MPA - City Manager

**DATE OF MEETING:** January 2, 2024

**ITEM TITLE:** Vacation Award, Accrual, and Carryover

### DISCUSSION:

As part of the review of the Employee Handbook, and our migration to ADP for Payroll Processing, I would like to review how vacation is accumulated and tracked. Currently, vacation is awarded at the anniversary date in a lump sum, meaning for example if an employee has 6 years of service, on their 6<sup>th</sup> anniversary, 104 hours, or 13 days, is deposited into their vacation bank.

With the move to ADP, we have the option to accrue time, based on each payroll cycle, which gives the employee more flexibility. As such, I am proposing the following language to include in the handbook:

Vacation leave shall be earned and accrued from the most recent day of employment per the chart below. All requests for vacation leave are subject to command staff approval. Employees will accrue vacation leave during their first six (6) months of employment; however, they are not permitted to use any during this time. Subsequently, if the employee terminates his or her employment with the City before the completion of the first six (6) months of employment, he or she will not be paid for any accrued vacation leave.

Full-time employees shall accrue annual leave in the following manner:

Years of Service	Per Pay Period (26 Pay Periods Per Year)		Per Year	
	Hours	Days	Hours	Days
1st – 4th Year (Group 1)*	3.08	0.385	80.08	10.01
5th – 9th Year (Group 2)	4.00	0.500	104.00	13.000
10th – 14th Year (Group 3)	4.62	0.5775	120.12	15.015
15th – 19th Year (Group 4)	5.54	0.6925	144.04	18.005
20th – 24th Year (Group 5)	6.16	0.77	160.16	20.02
25th Year & Beyond (Group 6)	7.70	0.9625	200.20	25.025

\* Denotes that during the first 6 months of employment, vacation will be accrued, but none may be used by the employee.

Full-time firefighter employees shall accrue annual leave in the following manner:

Years of Service	Per Pay Period (26 Pay Periods Per Year)		Per Year	
	Hours	Days	Hours	Days
1st – 4th Year (Group 1)*	4.62	0.19250	120.12	5.00500
5th – 9th Year (Group 2)	5.54	0.23083	144.04	6.00166
10th – 14th Year (Group 3)	6.47	0.26958	168.22	7.00917
15th – 19th Year (Group 4)	7.39	0.30792	192.14	8.00583
20th – 24th Year (Group 5)	9.24	0.38500	240.24	10.01000
25th Year & Beyond (Group 6)	11.08	0.46167	288.08	12.00333

\* Denotes that during the first 6 months of employment, vacation will be accrued, but none may be used by the employee.

To facilitate this transition, Staff during the upcoming calendar year would be awarded the vacation they earned during the previous year (on their anniversary date they would receive the vacation deposit into their bank that they have in the past), and then they would begin accruing vacation each pay period based on the above schedule.

Additionally, I would like to increase the amount of vacation carryover. Currently, staff are allowed to carry over 5 days (40 hours) through year 14 of employment. Beginning in year 15, they can carry over 10 days (80 hours). Firefighters can carry over 2 days (48 hours) through year 14, and 4 days (96 hours) beginning in year 15. I would propose changing this to allow all employees to carry over one year's worth of vacation. Whatever vacation group an employee falls into on the chart above, they would be able to carry over the amount shown in the Per Year, Hours, column on January 1<sup>st</sup>. Any amount in their bank above that would be lost.

I am also proposing that the following be added to the Employee Handbook regarding vacation: The City of Independence values our staff and their well-being. To that end, we require that every employee takes at minimum one week of vacation per year (40 hours) to prevent burnout. This time away does not need to be consecutive.

**RECOMMENDATION:**

Staff recommends discussion of this topic. No action is needed at this meeting, as any decision items needed would be brought forward to a City Council meeting for approval.