



CITY COUNCIL MEMORANDUM

TO: City Council

FROM: Matthew R. Schmitz, MPA - City Manager

DATE OF MEETING: January 22, 2024

ITEM TITLE: Resolution modifying Vacation Award, Accrual, and Carryover

BACKGROUND:

As discussed at the January 2nd Work Session, As part of the review of the Employee Handbook, and our migration to ADP for Payroll Processing, I reviewed 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 6th anniversary, 104 hours, or 13 days, is deposited into their vacation bank. I would like to modify that to accrue time-based on each payroll cycle.

DISCUSSION:

I am proposing the following language to include in the Employee Handbook via an Amendment:

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 supervisor 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 (Non-Union) 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 (Non-Union) 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.

Union Employees shall accrue vacation according to their collective bargaining agreement.

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 1st. 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.

RESULTS:

The City has established priorities during strategic planning sessions. This item supports the Vision from that session of Support and Empower Workforce. This item helps achieve that vision by allowing for more flexibility for our Employees when accruing and utilizing vacation leave time.

FINANCIAL CONSIDERATION:

Budgetary impacts will be minimal since accrual rates are not increasing significantly. The ability for an employee to save up vacation time will increase, which will create some budgetary impact as well.

RECOMMENDATION:

Staff recommends a motion to approve the attached Resolution outlining changes to Vacation Award, Accrual, and Carryover.