



# MEDINA, WASHINGTON

Agenda Item 9.3c

## AGENDA BILL

Monday, June 14, 2021

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**Subject:** Approval of Medina Personnel Policies update, Section 7.02 Vacation Accruals

**Category:** City Council Business

**Staff Contact:** Julie Ketter, Finance & HR Director

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### **Summary**

In 2015, Staff and the Personnel Committee drafted a Personnel Policy Manual, which was adopted by Council on 8/10/2015. Previously, there had been no consolidated policy that covered the unrepresented employees. The City Manager was granted the authority to authorize future updates as needed by law or clarity; Council retained the authority to approve all changes that would impact employee compensation or benefits.

The proposed change is being requested by staff to give more detailed instructions for managing excess carryover leave. It also addresses how the policy applies in the case of the City Manager. Additionally, it allows for a one-time cash out of any excess leave on 12/31/2021 in order to bring all leave balances under the carryover limit. Carryover balances are existing accrued liabilities of the City, requiring reporting to the State Auditor each year. The cash out is advantageous to the City: it aligns existing balances to new policy while also reducing liabilities at current value.

The proposed policy change was created based on discussion at the Personnel Committee meeting of March 17<sup>th</sup> and numerous email exchanges following. During their June 1<sup>st</sup> meeting, the committee agreed to send it to Council with a recommendation to approve. The policy change has also been reviewed by the City's labor attorney, Sofia Mabee.

It is also important to note, this change will only impact the City's non-represented employees who comprise less than a third of total staff. The remaining, represented staff's labor contract language sets their vacation policy.

### **Attachment:**

Medina Personnel Policy Manual, 7.02 Vacation Accrual, proposed update

**Budget/Fiscal Impact:** \$50K - 65K, based on 2 potential employee excess cash outs, factoring in possible amount of vacation taken during remaining year. There will be an equal reduction of existing liability amount.

**Staff Recommendation:** Approve

### **City Manager Approval:**

**Proposed Council Motion:** "I move to Approve the Medina Personnel Policies update of Section 7.02 Vacation Accruals, as recommended by Personnel Committee."

*Time Estimate: XX minutes.*

**Current**

**7.02 Vacation Accrual:** Employees are encouraged to use vacation leave in the year it is earned. The maximum vacation leave that an employee may carry over at the end of each year is 1.5 times annual leave accrual level, or as specified in an applicable labor agreement. Any hours earned above the maximum must be taken at the end of the calendar year or they shall be forfeited unless advanced written approval is granted by the City Manager.

Vacation Accrual Schedule

<u>Length of Continuous Service</u>	<u>Annualized Leave</u>
1 <sup>st</sup> Year	96 Hours
2 <sup>nd</sup> – 4 <sup>th</sup> Year	112 Hours
5 <sup>th</sup> – 7 <sup>th</sup> Year	128 Hours
8 <sup>th</sup> – 9 <sup>th</sup> Year	144 Hours
10 <sup>th</sup> – 14 <sup>th</sup> Year	160 Hours
15 <sup>th</sup> – 19 <sup>th</sup> Year	176 Hours
20 <sup>th</sup> and Subsequent Years	200 Hours

**Proposed**

**7.02 Vacation Accrual:** Employees are encouraged to use vacation leave in the year it is earned. The maximum vacation leave that an employee may carry over at the end of each year is 1.5 times annual leave accrual level, or as specified in an applicable labor agreement. Any hours earned above the maximum must be taken by the end of the calendar year. HR/Payroll will notify employees, along with their managers, before the beginning of the 4<sup>th</sup> quarter if they are projected to exceed the limit at year-end. Employees are expected to schedule the necessary leave to bring their balance down to within the carryover limit by the end of the year.

Excess carryover leave can be allowed with advance written approval by the City Manager, or with advance City Council approval for the City Manager’s excess carryover. Employees granted permission to carryover excess leave are expected to be within the limit by the end of the following calendar year. If a non-represented employee has failed to bring their balance within the limit by the end of that following year, that employee’s vacation accrual will cease until their balance is within their carryover limit.

Effective January 1<sup>st</sup>, 2022, all non-represented employees will have no more than their carryover maximum. Excess will have either been used or will be cashed out on December 31, 2021.

Vacation Accrual Schedule

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