

CITY OF RICHLAND CENTER

AGENDA ITEM DATA SHEET

Agenda Item: Personnel Handbook Amendment – Vacation Scheduling and Payout

Meeting Date: Personnel Committee on July 21, 2025

Requested by: Ashley Oliphant, City Administrator

Background: Policy 207 Vacation in the Personnel Handbook outlines the scheduling and payout of vacation time for employees. Employees are required to obtain department head approval for vacation requests. However, department heads require no approval or notification to the City Administrator. Employees who resign are required to be in good standing and provide a two-week notice to qualify for an accrued vacation time pay out. However, the policy lacks language addressing employees who are terminated. In the absence of specific language, terminated employees are legally eligible to receive a payout.

The current policy pertaining to scheduling vacation time reads as follows:

B. Scheduling.

1. On January 1st employees will be provided vacation leave in accordance with the above schedule.
2. Vacation will be scheduled subject to the approval of the employee's department head.
3. All vacation leave must be taken during such calendar year, with the exception that an employee may carryover of one week (40 hours) of vacation if the employee has reasonably tried to schedule vacation but could not take vacation because of operational needs. In that case, the employee may carryover one week (40 hours) to be used by March 31st of the succeeding year and to be scheduled pursuant to the standard vacation procedures.

To ensure proactive coordination and maintain service continuity, the following addition is proposed:

4. All department heads are required to notify the City Administrator at least 48 hours prior to utilizing vacation time if their absence would impact departmental operations or if the absence exceeds three consecutive workdays. Notifications should include the duration of the absence, and any arrangements made to ensure operational continuity.

The current policy pertaining to vacation payout reads as follows:

C. Payout.

1. In the event an employee resigns, is laid off, or terminated after having been paid for or taken vacation leave or a portion thereof as yet unearned, the value of the unearned portion of the vacation or vacation pay received shall be deducted from the employee's paycheck. This shall be computed on a pro-rata basis in accordance with the number of months worked during the year.
2. In the case of the death of an employee, the employee's estate or designated beneficiary shall receive the employee's vacation pay. Such vacation pay in the year of death shall be computed on a pro-rata basis, in accordance with the number of months worked during the year. Such payment shall be based upon the current earnings of such employee.
3. In the case of resignation, the employee must be in good standing and give the City two (2) weeks' notice of termination to receive any accrued vacation.

To prevent the payout of accrued vacation time to terminated employees, the following addition is proposed:

4. Ineligibility of Terminated Employees. Employees who are terminated for cause are ineligible to receive any accrued vacation payout, regardless of the amount of vacation leave accrued or unused at the time of termination.

Financial Impact: None

Funding Source: N/A

Requested Action: Amend Handbook to require department heads provide notice of time off and prohibit terminated employees from receiving vacation payouts.

PERSONNEL: Motion to amend the Personnel Handbook as presented.