



Common Council Agenda Item

Meeting Date: August 4, 2026

Agenda Item: Vacation Carryover

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BACKGROUND

(Enter the who, what when, where, why)

The City's current Vacation Carryover Policy allows employees to automatically carry over up to 40 hours of unused vacation into the following calendar year. Carryover requests exceeding 40 hours require approval of the City Manager.

On June 23, 2026, the Finance Committee reviewed the City's vacation carryover policy, historical carryover practices, and comparable policies utilized by surrounding municipalities. After reviewing the information, staff recommended no changes to the existing policy, concluding that it provides appropriate flexibility while maintaining administrative oversight.

During its discussion, the Finance Committee recommended an amendment to the policy. The Committee recommended that any year-end vacation balance in excess of 40 hours for the City Manager require approval of the Common Council rather than the City Manager. The remainder of the policy remains unchanged.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

June 23, 2026 – Finance Committee reviewed the City's Vacation Carryover Policy and recommended amending the policy to require Common Council approval for City Manager vacation carryover requests exceeding 40 hours.

FINANCIAL IMPACT

(If none, state N/A)

The policy change does not create an immediate expenditure; however, approved vacation carryover increases the City's outstanding compensated-absence liability. Carried-over hours may result in future costs if the leave is used, paid out upon separation when permitted, or paid at a higher hourly rate following future wage increases.

STAFF COMMENTS

Staff recommend approval of the change. This amendment does not change the City's existing vacation carryover limits or approval process for employees. Rather, it establishes a separate approval process for the City Manager to provide independent oversight consistent with the Finance Committee's recommendation.

ATTACHMENT(S) INCLUDED

(If none, state N/A)

Amended Employee Handbook Wording - Vacation Carryover