Agenda Item No. 13a

Town of Windsor

Memorandum

October 13, 2015

TO: The Honorable Mayor and Town Council

FROM: Michael Stallings, Town Manager MS

SUBJECT: Leave Policy

At the September Council meeting, Council discussed possible changes to the employee leave policy to reduce the amount of leave that employees are allowed to carry over. As directed, I have drafted changes to our existing leave policy that allows 160 hours of leave to be carried over each fiscal year. A copy is attached.

Currently we allow employees to carry over no more than 240 hours (30 days) per year. I have attached a spreadsheet that shows the amount of leave that each employee has on the book as of the last pay period. The spreadsheet also shows the cost that is associated with reducing the amount of leave on the books for all of those who are over the proposed 160 hour cap. The cost is based on the current pay rates for each employee, as we are required to pay out leave based on current salaries. As you can see, the current cost to buy leave time held by employees over the 160 hour cap is $19,475.84. As you can assume this amount will change with every pay period as employees continue to accrue leave.

There was also discussion about a buy back policy. As such, the attached allows employees to sell back up to 40 hours of leave each fiscal year. Employees will be required to fill out the attached form before April 1st of each year in order to sell back time. Any leave sold back will be paid out in July with the start of the new fiscal year.

If Council elects to implement this new leave policy, we will need to appropriate the funds to reduce the amount of leave on the books for all those above the 160 cap. Reducing the leave that employees are allowed to carry over will help reduce future liabilities if and when employees leave the Town of Windsor. I have drafted a resolution that would appropriate the sum of $19,475.84 to cover the initial buy back if Council wants to move forward.

I recommend that Council adopt the revised leave policy as well as the attached resolution so that we can move forward with reducing the number of vacation hours currently on the books.

This is for Council's discussion and action.

Employee Leave Policy

1. Annual Leave

A. Accrual:

Annual leave is accrued at a monthly basis for each completed month of service. The rate at which annual leave is accrued is dependent upon the length of the employee's service with the Town. Any part time employment with the Town would be added to length of employee's service to the Town for calculation purposes of annual leave only. The accrual schedule and acceptable levels of accumulation are:

Length of Service	Monthly Accrual Rate	Yearly Accrual Rate
0 to 5 years of service	1 day a month	12 days a year
5 to 10 years of service	1.25 days a month	15 days a year
10 to 15 years of service	1.5 days a month	18 days a year
15 to 20 years of service	1.75 days a month	21 days a year
20 to 25 years of service	2 days a month	24 days a year
25 years +	2.25 days a month	27 days a year

B. Anniversary date and Accrual expiration:

On July 1st of each year, the employee can carry over ~~30 days or (240 hours)~~ 20 days or (160 hours) of accrued annual leave. All remaining accrued annual leave must be used during the fiscal year or the leave is forfeited.

~~Any employee who has more than 240 hours of annual leave accrued at the enactment of this policy will not be forced to forfeit any leave in excess of 240 hours, but will not be allowed to carry over any more than has already been accrued.~~

C. Use of Annual Leave:

Annual leave may be used for any reason the employee chooses; however, the employee must obtain approval from the immediate supervisor for the desired time off.

For leave requests of one week duration: the employee must complete and submit a leave request form at least two weeks in advance.

For leave requests which are less than a week's duration, the employee must complete

and submit a leave request form at least two days in advance.

Management will approve leave in accordance with business and operational needs of the Department.

Annual leave shall not be counted as hours worked for the purpose of determining overtime.

D. Separation from Town Employment

Employees will be paid for any accrued annual leave at the time of retirement, resignation or termination at their current salary rate. Upon the death of an employee, accrued annual leave will be paid to his/her designated benefit recipient.

E. Buy Back of Unused Vacation Leave

Employees may elect to sell back up to 5 days or 40 hours of vacation leave a year. Employees must complete and submit the appropriate form no later than the first working day of April each year. The employee will be paid for the leave in July of the same year.

2. Sick Leave

A. Accrual:

Sick leave is accrued at a monthly basis for each completed month of service. The rate at which sick leave is accrued is dependent upon the length of the employee's service with the Town. Any part time employment with the Town would be added to length of employee's service to the Town for calculation purposes of annual leave. The accrual schedule and acceptable levels of accumulation are:

Length of Service	**Monthly Accrual Rate**	**Yearly Accrual Rate**
0 to 5 years of service	1 day a month	12 days a year
5 to 10 years of service	1.25 days a month	15 days a year
10 to 15 years of service	1.5 days a month	18 days a year
15 + years of service	1.75 days a month	21 days a year

B. Maximum Accrual:

Accrued sick leave is carried over from year to year.

C. Use of sick leave:

Sick leave is to be used specifically for an employee illness or health related appointment. Employees may take sick leave if an immediate family member is sick.

Immediate family members are defined as: spouse, parent, guardian, brother, sister, son, daughter, father-in-law, mother-in-law, grandparent, grandchild, step parent, step child or any other individual residing within the same household.

As stated under Policy Number 4.16: Worker's Compensation, upon review of an employee reported injury the direct supervisor has the responsibility to decide whether or not it is safe and appropriate for the employee to return to regular duties – this does not override a physician's written directive of limited duty recommendation. This does however allow the supervisor to question if the employee is fully up to physically and/or mentally returning to full duty. The employee has the right to appeal this decision to the Town Manager.

The employee may take sick leave and/or time without pay to cover an absence related to an injury not covered under the worker's compensation, however it is strongly encouraged for employees to return to work (full-duty) when deemed appropriate by the attending physician and supervisor.

D. Verification:

A Department Head may ask for justification for use of sick leave by requesting that the employee obtain verification of the illness from a doctor.

An employee who anticipates being disabled as a result of a medical condition (such as scheduled surgery, pregnancy, etc.) should inform management as early as possible to assist management in planning for the employee's absence.

Policy for Payment of Unused Sick Leave

For Employees with at Least Five Years of Service:
Each full time employee of the Town of Windsor who has been continuously employed by the Town for at least five years, shall upon termination of such employment for any reason other then discharge from Town Employment as a result of disciplinary action duly imposed by the Town, shall be entitled to receive an amount of money, equal to twenty-five percent of his/her unused sick leave accumulated provided not to exceed the sum of $2,500.

For Employees with at Least Ten Years of Service:
Each full time employee of the Town of Windsor who has been continuously employed by the Town for at least ten years, shall upon termination of such employment for any reason other than discharge from Town employment as a result of disciplinary action duly imposed by the Town, shall be entitled to receive an amount of money, equal to

twenty-five percent of his/her unused sick leave accumulated provided not to exceed the sum of $5,000. ***Adopted by Council: July 22, 2008***

Employees Shared Leave Program.

Purpose of the Administrative Policy

The purpose of this administrative policy is to provide employees the opportunity to donate leave to other employees who have exhausted their sick leave under certain conditions set forth in this policy.

In cases of a catastrophic medical condition, an employee may apply for leave donations from other Town employees. Consenting employees may agree to have leave donations transferred from their accumulated sick, vacation and/or holiday leave balances to the sick account of a requesting employee. This policy prohibits the use of coercion and/or intimidation. The Shared Leave Program is employee to employee and is being offered in addition to the benefits provided by the Town. Shared Leave is not "accrued" or "earned" under this program. The Town may modify or terminate the Shared Leave Program at any time in its sole discretion. All full-time and part-time employees with benefits that have been employed for at least six (6) months are eligible for this program.

Definitions

Catastrophic Medical Condition:

A serious incapacitating and/or life threatening non-job related illness/injury requiring an extended treatment and/or recovery period for which the employee anticipates being absent from work.

Immediate Family Member:

Immediate family member includes mother, father, husband, wife, son and daughter.

Direct Donations: Leave donated from an employee to a qualifying named recipient.

Terminating Employment: Ending employment for any reason.

Employee Requesting Shared Leave

1. Recipients may request shared leave donations for a Catastrophic Medical Condition requiring an extended treatment and/or recovery period. The catastrophic medical condition can be the employee's own or for their immediate family member. This program is not meant to extend the employment of an employee when the possibility of return to work is not probable.

2. The recipient's current performance must be at an acceptable level (fully successful or higher).

3. Recipients must exhaust all paid leave (sick, vacation and holiday) before receiving leave from direct donations or from the Shared Leave Bank. The application process can be started prior to the actual depletion of leave.

4. The employee requesting to receive a leave donation must complete the form entitled "*Share Leave – Recipient's Request Form.*" Employees may obtain a copy of this form in the Town Clerk/Treasurer's office. If the recipient is unable to complete the application, then their supervisor may do so upon verbal permission of the employee. No medical information can be released without the written signed consent of the recipient.

5. All applications to receive shared leave must first be submitted to the recipient's department head for his/her comments before forwarding to the Town Manager.

6. Where "donated leave" received qualifies for the 12-week FMLA entitlement, the time granted and the FMLA entitlement shall run concurrently.

Employee Donating Leave

1. Employees donating leave must maintain a combined balance of 12 days of vacation and sick leave (not to include holiday time).

2. Employees may donate sick, vacation and/or holiday leave to a qualifying named recipient.

3. Leave must be donated in one-hour increments.

4. Employees desiring to donate leave under this policy shall complete the form entitled "*Shared Leave – Donor's Request Form.*" Employees may obtain this form in the Town Clerk/Treasurer's office.

5. The Town Manager shall approve all donations of leave.

This policy shall remain in effective until amended or rescinded by the Town Manager.

Employee	Vacation as of 10/8/2015	Amount over 160 cap	Current Hourly Rate	Payout
Phil Bowden	68.33	0	$17.21	$0.00
Kenny Sims	133.5	0	$24.44	$0.00
Dennis Carney	28.68	0	$23.58	$0.00
Jeannie Dunlow	62.65	0	$16.41	$0.00
Terry Whitehead	225.32	65.32	$20.05	$1,309.67
Christy Newsome	13.2	0	$18.85	$0.00
Michael Stallings	310.2	150.2	$37.38	$5,614.48
Rodney Riddle	245	85	$26.44	$2,247.40
Parker Jernigan	302.42	142.42	$23.57	$3,356.84
Josh Harris	314	154	$20.44	$3,147.76
Bill Owens	332.4	172.4	$22.04	$3,799.70
Robert Swan	108.8	0	$21.50	$0.00

Total Payout = $19,475.84

Resolution No. _____

Resolution

A Resolution Appropriating The Sum Of $19,475.84 From The Unappropriated Fund Balance Of The General Fund To The 2015-16 General Fund Operating Budget

WHEREAS, the Town Council of the Town of Windsor has implemented a new leave policy, and;

WHEREAS, this policy reduces the number of vacation hours each employee is permitted to carry over from year to year from 240 hours to 160 hours, and;

WHEREAS, the Town of Windsor intends to compensate employees for any vacation hours over the new 160 hour cap, and;

WHEREAS, the total cost to compensate the employees for this leave is $19,475.84.

NOW, THEREFORE BE IT RESOLVED by the Council of the Town of Windsor, Virginia as follows:

Section 1. That the sum of $19,475.84 from the Unappropriated Fund Balance of the General Fund, be, and the same hereby is, appropriated to the Contingency line item in the 2015-16 General Fund Operating Budget:

Section 2. The Town Manager is hereby authorized to compensate employees for any vacation time over the new 160 hour cap.

Section 3. This resolution shall be in effect on and after its adoption.

Adopted:

TESTE:

_____

Town Clerk