



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** July 24, 2012

From: Nikki Salas, **Item No:** 8
 Director of Human Resources

Subject: LEAVE TIME OVERVIEW

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

Receive and file.

SUMMARY:

The Town of Apple Valley provides vacation and sick leave to our employees. Providing sick leave and vacation benefits is common practice in public and private industry.

Employees earn sick leave at the rate of 96 hours per year. Under the current benefit adopted by Council, the Town does not cap sick leave accruals for staff. Currently, the average sick leave balance for a Town employee is two hundred fifty-five (255) hours.

The Town of Apple Valley is comparable with our neighboring agencies for sick leave accrual. See comparison below:

Agency	Sick Leave Accrual	Benefit Cap
City of Adelanto	146 hours for Management 120 for all other employees	960 hours for both groups
City of Hesperia	96 hours for all employees	Unlimited
City of Victorville	87 hours for all employees	Unlimited
Town of Apple Valley	96 hours for all employees	Unlimited
VVWRA	88 hours for all employees	Unlimited

Town of Apple Valley employees earn vacation time based on their length of service with the Town. Employees, regardless of their classification, earn vacation as follows:

Years of Service	Accrual Rate	Benefit Cap
0 – 4 years	80 hours	200 hours
5 – 9 years	120 hours	280 hours
10 – 14 years	160 hours	360 hours
15 – 19 years	200 hours	440 hours
20 + years	240 hours	520 hours

The Finance Department monitors the vacation accruals and employees are notified when their vacation balance approaches their benefit cap. If an employee reaches the benefit cap, the employee will no longer accrue vacation time until the employee has reduced their vacation balance. Currently, the average vacation balance for a Town employee is one hundred twenty-two (122) hours.

The Town of Apple Valley is comparable with our neighboring agencies for vacation accrual. The chart below provides comparison information for employees with five (5) years of service:

Agency	Vacation Accrual	Benefit Cap
City of Adelanto	180 for management emp. 120 for supervisory emp. 120 for general employees	600 hours 240 hours 120 hours
City of Hesperia	112 hours for all employees	300 hours
City of Victorville	127 hours for all employees	240 hours
Town of Apple Valley	120 hours for all employees	280 hours
VVWRA	120 hours for all employees	360 hours

The Town of Apple Valley’s contract with CalPERS does not allow for leave accruals of any kind (vacation, sick leave, holiday, etc.) paid out at separation to be computed into the final year’s compensation. The only types of compensation allowed by CalPERS to count toward an employees’ final year of compensation is base wage (hourly rate multiplied by hours worked), longevity pay, and uniform allowance, if applicable. CalPERS does allow for an employee’s sick leave balance to add towards their total years of service. For example: a CalPERS service year is one thousand seven hundred twenty (1720) hours. If an employee retires from Town service and has eight hundred sixty (860) hours of accumulated sick leave, CalPERS would credit the employee with an additional six (6) months of service credit. This benefits those employees who are judicious with their sick leave usage throughout their career.

BACKGROUND:

Over the years, the Apple Valley Town Council has approved different resolutions from the creation of the Town's benefit plan to amending sick and vacation leave for Town employees. Briefly, here is an outline of those applicable changes:

- January 22, 1991, Resolution 91-10 was approved creating the sick leave benefit for the Town at 12 days per year (96 hours) with unlimited accrual.
- June 25, 1991, Resolution 91-52 was approved creating the Rules for Administering the Personnel System which established the vacation leave at 80 hours annually for years 0 – 4 with a cap of 160 hours, 120 hours annually for years 5 to 9 with a cap of 240 hours, and 120 hours annually for 10+ years with a cap of 320 hours.
- July 9, 1996, Resolution 96-31 was approved amending the sick leave benefit to cap the accrual benefit at nine hundred sixty (960) hours.
- June 27, 2000, Resolution 2000-17 was approved amending the sick leave provision by removing the sick leave cap. Vacation leave was also established 10 – 14 years at 160 hours annually with a cap of 360 hours, 15 – 19 years at 200 hours annually with a cap of 440 hours, and 20+ years at 240 hours annually with a cap of 520 hours.
- January 22, 2002, Resolution 2002-08 was approved amending the vacation leave provision by increasing the caps on the vacation accruals. The caps were amended for years 0 – 4 from 160 hours to 200 hours and for years 5 – 9 from 240 hours to 280 hours.

At the June 12, 2012, Town Council meeting, Mayor Barb Stanton requested an item be placed on a future agenda regarding the status of the Town of Apple Valley's vacation and sick leave benefits, the caps on leave balances, and how these types of leave interrelate with the California Public Employees' Retirement System (CalPERS) and our single highest year compensation.

FISCAL IMPACT:

As an informational item, there is no fiscal impact.