

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject:

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY AMENDING THE PERSONNEL POLICIES AND PROCEDURES OF THE TOWN OF APPLE VALLEY

Summary Statement:

Full time Town employees currently accumulate vacation hours, from ten (10) days to thirty (30) days based on their years of service with the Town. Employees are encouraged to utilize their accumulated vacation time however, in spite of our efforts to encourage employees' use of vacation time occasions occur where taking leave time is not convenient. As occasions like this occur, employees' vacation accruals will continue to accumulate. Employees' might have to forfeit vacation time and/or be forced to take time off at times that may not be convenient for the Town.

Additionally, in 2008, the Town of Apple Valley saw an increase of \$298,617 in the value of staffs' banked vacation time. The vacation time is an unbudgeted liability. With the retirement of one Town employee last year, the vacation cash out cost the Town \$96,450 resulting in that employee's payout exceeding the department's budget. As the increase in compensation and employees' vacation banks, less the payout of the employee that retired, the Town's total increase for vacation time for FY 2008-2009 increased by \$202,167.

Town staff queried our local high desert cities as well as other Cities to see how they are handling the vacation liability issue. Many of the twenty-four agencies that responded to our inquiry allow cash out of vacation time by staff under defined parameters.

(Continued on the next page)

Recommended Action:

Adopt Resolution 2009-52, a Resolution of the Town Council of the Town of Apple Valley Amending the Personnel Policies and Procedures.

Proposed by: Frank Robinson, Town Manager

Item Number _____

T. M. Approval: _____

Budgeted Item Yes No N/A

Agenda Item: Vacation Buy Back Policy

Here is a sample of the information collected by the responding Agencies:

- City of Adelanto: Employees may cash out up to 40 hours twice per year for a maximum of 80 hours per year. Employees submit a request in May for June's payout and a request in November for December's payout. Employees must maintain a minimum of 40 hours of vacation time after each payout.
- City of Barstow: Depending on the bargaining unit, employees can cash out up to 50% of their earned and accumulated vacation time during the first pay period of December.
- City of Chino: Employees who have accrued a minimum of 120 hours of vacation leave may convert a maximum of 80 hours to cash at the rate of pay the employee is paid on November 1. Employees must have used 40 hours of vacation the previous year.
- City of Hesperia: Employees may cash out 20 hours or more of vacation time each fiscal year provided they maintain 40 hours in their vacation bank after payout.
- City of La Quinta: Employees with a minimum balance of 80 hours of accrued vacation time may cash out a portion of or all of vacation hours above 80 hours provided the employee has used 40 hours of vacation time during the prior year. Any vacation hours accumulated above 320 hours are paid to the employee in the last pay period of November.
- City of Monterey Park: Employees may cash out up to 60 hours annually but employees must maintain 40 hours in their vacation bank after cash out.
- City of Palm Desert: Employees may cash out up to 40 hours of accrued vacation time when they have 120 hours or more in their vacation bank.
- City of Rancho Mirage: Employees may sell back up to 80 hours of vacation time per Fiscal year throughout the year with reasonable notice to the Finance Department.

City of Victorville: Employees requesting to cash out vacation time must submit a written require to the City Manager approval.

Without establishing a way to decrease the size of vacation banks, the liability will continue to grow and Town's budget will be impacted when employees choose to leave Town service. This amendment to the employees' current vacation benefits is a cost neutral change for the Town of Apple Valley and will help decrease the long term financial liability associated with high vacation bank pay outs when employees leave Town service.

RESOLUTION NO. 2009 -52

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF
APPLE VALLEY AMENDING THE PERSONNEL POLICIES AND
PROCEDURES OF THE TOWN OF APPLE VALLEY**

WHEREAS, the Town Council of the Town of Apple Valley has established Personnel Policies and Procedures for the Town of Apple Valley employees; and

WHEREAS, the Town Council of the Town of Apple Valley wishes to modify the Personnel Policies and Procedures for the Town of Apple Valley employees;

NOW, THEREFORE, BE IT RESOLVED THAT the Town of Apple Valley Personnel Policies and Procedures are hereby amended as follows:

1. Section 6.19 Vacation Buy Back

Employees who have been employed a minimum of one year may elect to buy back Town accrued, but unused, vacation provided the employee has used a minimum of 40 hours of accrued vacation during the preceding 12 months. An employee may request to buy back a minimum number of 10 hours to a maximum of 40 hours not more than two times in a fiscal year. To purchase vacation hours, an employee must have a minimum balance of 40 hours of vacation leave accrual after the purchase of said vacation hours. The employee will be compensated for such purchased vacation hours at the salary rate in effect for that employee at the time the hours are paid.

Any employee who is given a disciplinary action that results in a loss of pay shall be excluded from use of this provision for 60 calendar days from the date of the implementation of the disciplinary action.

An employee desiring to exercise this option must make a written request to Human Resources. All vacation buy back requests will be processed the payroll cycle following the date the request was submitted.

Changes in this policy, if any may be necessary, shall be determined within the sole discretion of the Town Manager.

2. Said resolution shall become effective on December 8, 2009

3. All resolutions or parts of resolutions in conflict herewith are hereby amended to be consistent herewith.

PASSED, APPROVED AND ADOPTED this 8th day of December, 2009.

MAYOR

LA VONDA PEARSON
TOWN CLERK