



CITY OF KYLE, TEXAS

Personnel Policy Amendment - Vacation & Sick Leave Accrual & Payout

Meeting Date: 8/16/2022
Date time: 7:00 PM

Subject/Recommendation: Approve a Resolution amending the City's Personnel Policy for the accrual and payout of vacation and sick leave provisions affecting non-civil service employees as considered and approved by City Council on July 28, 2022. ~ *Sandra Duran, Director of Human Resources*

Other Information:

Legal Notes:

Budget Information:

ATTACHMENTS:

Description

- Resolution - Personnel Policy Amendments for Vacation & Sick Leave for Non-Civil Service Employees
- Comparison of Current & Proposed Vacation & Sick Leave Policy Changes 7-28-2022

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS, DIRECTING THE CITY MANAGER AND THE DIRECTOR OF HUMAN RESOURCES TO AMEND THE CITY'S PERSONNEL POLICY FOR THE ACCRUAL AND PAYOUT OF VACATION AND SICK LEAVE AFFECTING ALL NON-CIVIL SERVICE EMPLOYEES; MAKING FINDINGS OF FACT; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, the City Council recognizes that the City's Personnel Policy pertaining to the accrual and payout of vacation and sick leave for non-civil service employees requires revisions, and

WHEREAS, the City Council recognizes that these revisions to the City's Personnel Policy will result in: (i) modernizing the current policy, (ii) be responsive to the City's modern workforce, (iii) simplify policy and procedures for implementation, (iv) incentivize employee retention and save City funds spent on recruitment and training, (v) disincentivize abuse of sick leave, and (vi) make the City of Kyle competitive in the retention and recruitment of personnel, and

WHEREAS, the City Council during its Budget Worksession No. 3 held on July 28, 2022, discussed the revisions to the Personnel Policy pertaining to the accrual and payout of vacation and sick leave for non-civil service employees, and

WHEREAS, on July 28, 2022, the City Council passed a motion approving the staff recommendations for changes to the Personnel Policy for the accrual and payout of vacation and sick leave for non-civil service employees and directed the Acting City Manager to bring back a Resolution in order for the City Council to codify the changes to the City's Personnel Policy.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KYLE, HAYS COUNTY, TEXAS, THAT:

Section 1. Findings.

The City Council of the City of Kyle finds that:

- A. The City's Personnel Policy provisions pertaining to the accrual and payout of vacation and sick leave for non-civil service employees requires revisions.
- B. The changes to the Personnel Policy will result in: (i) modernizing the current policy, (ii) be responsive to the City's modern workforce, (iii) simplify policy and procedures for implementation, (iv) incentivize employee retention and save City funds spent on recruitment and training, (v) disincentivize abuse of sick leave, and (vi) make the City of Kyle competitive in the retention and recruitment of personnel.

- C. The recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Changes to the Personnel Policy for Accrual and Payout of Vacation and Sick Leave for Non-Civil Service Employees.

The City Council hereby directs the City Manager and the City's Director of Human Resources to make the following changes to the Personnel Policy for the accrual and payout of vacation and sick leave for non-civil service employees:

Vacation Leave

1. Accrual Rate for Vacation Leave:

The new accrual rate for vacation leave shall be as follows:

- 0 to 4 years of continued service = 2 weeks or 80 hours per year
- 5 to 9 years of continued service = 3 weeks or 120 hours per year
- 10 to 15 years of continued service = 4 weeks or 160 hours per year
- 16 plus years of continued service = 5 weeks or 200 hours per year

2. Maximum Hours Allowed for Accrual of Vacation Leave:

The maximum hours that a non-civil service employee will be allowed to accrue for vacation leave hours shall not exceed a total of 720.0 hours.

3. Maximum Hours Allowed for Payout of Vacation Leave:

All employees ending employment with the City of Kyle shall be entitled to receive a lump sum payout of their actual accrued vacation leave balance up to a maximum of 480.0 hours.

Sick Leave

1. Accrual Rate for Sick Leave:

The accrual rate for sick leave shall remain the same as before as follows:

- 3.7 hours per pay period (based on 26-pay periods per year for accrual) or a total of 96.0 hours per calendar year

2. Maximum Hours Allowed for Accrual of Sick Leave:

All non-civil service employees will be allowed to accrue unlimited sick leave hours.

3. Maximum Hours Allowed for Payout of Sick Leave:

All employees ending employment after five (5) or more years of continuous service and in good standing with the City of Kyle, or upon retirement through TMRS, or upon death after five (5) or more years of continuous service and in good standing (paid to beneficiary), shall be entitled to receive a lump sum payout of their actual accrued sick leave balance up to a maximum of 480.0 hours.

Section 3. Initial Implementation of Policy Changes

In an effort to prevent and protect against any undue hardship or adverse or a negative impact to any employee as a result of implementing the changes to the City's Personnel Policy as prescribed under this Resolution for the accrual and payout of vacation and sick leave for non-civil service employees.

It is anticipated that a limited number of current non-civil employees totaling four (4) who due to their job responsibilities have been unable to plan for and take vacation on a regular basis, would be adversely impacted with the implementation of the changes to the vacation leave accrual maximum.

The City Manager and the Director Human Resources are hereby authorized, on a one-time basis only, and only at the time of implementation of this new policy, to buyout accrued vacation hours in excess of 480.0 hours but only limited up to a maximum of 240.0 hours in a lump sum payout subject to all standard payroll deductions. If after the buyout of 240.0 hours does not reduce the employee's accrued vacation leave balance below the 720.0 hours maximum allowed for accrual, then all vacation leave balance that is in excess of the maximum allowed for accrual (720.0 hours) shall be transferred or converted to the employee's sick leave balance.

Example 1:

Employee A has an accrued vacation leave balance of 375.0 hours on the effective date of the new policy implementation. Since Employee A's accrued vacation leave hours is below the 480.0 maximum hours allowed for payout and also below the 720.0 hours allowed for maximum accrual, Employee A will not be eligible to receive a lump sum buyout of any accrued vacation leave hours. Employee A will have an accrued vacation leave balance of 375.0 hours and will not have a "freeze" on future accrual of vacation leave hours from the implementation date.

Example 2:

Employee B has an accrued vacation leave balance of 580.0 hours on the effective date of the new policy implementation. Employee B's accrued vacation leave hours is above the 480.0 maximum hours allowed for payout and below the 720.0 hours allowed for maximum accrual. Employee B is eligible to receive a maximum lump sum buyout of accrued vacation leave hours totaling 100.0 hours ($580.0 - 480.0 = 100.0$). Employee B will have an adjusted accrued vacation leave balance of 480.0 hours ($580.0 - 100.0 = 480.0$) and will not have a "freeze" on future accrual of vacation leave hours going forward from the implementation date.

Example 3:

Employee C has an accrued vacation leave balance of 1,350.0 hours on the effective date of the new policy implementation. Employee C's accrued vacation leave hours is above the 480.0 maximum hours allowed for payout and also above the 720.0 hours allowed for maximum accrual. Employee C is eligible to receive a maximum lump sum buyout of accrued vacation leave hours totaling 240.0 hours ($1,350.0 - 480.0 = 870.0$ but maximum buyout is limited to 240.0 hours). A total of 390.0 hours from Employee C's accrued

vacation leave balance will be converted to their accrued sick leave balance (1,350.0-240.0-720.0 = 390.0). Employee C will have an adjusted accrued vacation leave balance of 720.0 hours (1,350.0-240.0-390.0 = 720.0) and will have a “freeze” on future accrual of vacation leave hours going forward from the implementation date until such time as Employee C reduces vacation leave balance by taking leave.

Section 4. Exhibit

Exhibit A is hereby attached to this Resolution to provide supporting documentation of City staff’s recommendations to City Council on July 28, 2022 for changes to the Personnel Policy for the accrual and payout of vacation and sick leave for non-civil service employees and City Council’s motion approving the recommended changes.

Section 5. Repeal of Conflicting Policy

All existing policy in conflict with the provisions of this Resolution are hereby repealed to the full extent of the conflict.

Section 6. Authorization.

This Resolution of the City of Kyle, Texas, is hereby adopted in compliance with the requirements set forth in the Charter of the City of Kyle.

Section 7. Effective Date.

This Resolution of the City of Kyle, Texas shall take effect on September 25, 2022.

Section 8. Open Meetings.

It is hereby officially found and determined that the meeting at which this Resolution is passed was open to the public as required and that public notice of the time, place, and purpose of the said meeting was given as required by the Open Meetings Act, Chapter 551, Local Government Code.

FINALLY PASSED AND APPROVED ON THIS THE 16TH DAY OF AUGUST 2022.

THE CITY OF KYLE, TEXAS

Travis Mitchell, Mayor

ATTEST:

Jennifer Holm, City Secretary


EXHIBIT A

Comparison of Current and Proposed Policy Changes
Accrual and Payout of Vacation and Sick Leave
For All Non-Civil Service Employees

As Considered and Approved by City Council
On July 28, 2022

City of Kyle, Texas
 Current & Proposed Policy for Accrual & Payout of Vacation & Sick Leave
 For All Non-Civil Service Employees
 Effective Date: Pay Period Beginning September 25, 2022

Item	Description	Current Personnel Policy	Proposed Policy
1.	<u>Vacation Leave Accrual Rate</u>	1 to 9 years = 10.0 working days/80.0 hours per year 10 to 19 years = 15.0 working days/120.0 hours per year 20 + = 18.0 working days/144.0 hours per year	0 to 4 years = 2 weeks, 80 Hours 5 to 9 years = 3 weeks, 120 Hours 10 to 15 years = 4 weeks, 160 Hours 16 plus years = 5 weeks, 200 Hours
2.	<u>Vacation Maximum Accrual</u>	288 hours (2 times the annual accrual rate for each tier)	720 hours but not all hours will be subject to payout.
3.	<u>Vacation Leave Payout</u>	No employee shall accrue, at any time, vacation leave in excess of the total sum of annual vacation time awarded for a two-year period to the individual as determined by the employee's years of service indicated in (1) above. All employees having accrued more hours of vacation time than allowed hereby at the time of passage of this policy shall have no more than twelve (12) months to reduce the number of accrued vacation time below his/her annual cap.	All employees ending employment with the City of Kyle shall be entitled to receiving payout of their actual accrued vacation leave balance up to a maximum of 480 hours.
4.	<u>Vacation Maximum Payout</u>	Maximum Hours Paid at Termination of Employment = 288 Hours	Lower of actual accrued vacation leave balance or 480 hours.
5.	<u>Sick Leave Accrual Rate</u>	4 hours per pay period or 96 hours per year (24 pay periods)	Same, no changes.
6.	<u>Sick Leave Maximum Accrual</u>	480 hours	Unlimited accrual of sick leave hours but not all hours will be subject to payout.
7.	<u>Sick Leave Payout</u>	An employee having at least 10 years of service with the City who is granted a retirement or a disability allowance by TMRS or SSA, or who dies, is entitled to a partial payment for up to 480 hours of unused sick leave accrued to such employee. The partial payment to the employee or the employee's beneficiary shall be as follows: (A) an amount equal to thirty percent (30%) of the value of such accrued, unused sick leave will be paid for 10 years of service; and (B) the amount to be paid for such unused sick leave shall increase by 2% for each year of service as an employee of the City, if any, in excess of 10 years.	All employees ending employment after five (5) years of service with the City of Kyle and in good standing, or upon retirement through TMRS or upon death (to beneficiary), shall be entitled to receiving payout of their actual accrued sick leave balance up to a maximum of 480 hours.
8.		Maximum Hours Paid at Termination of Employment = 0 Hours	Lower of actual accrued sick leave balance or 480 hours.
9.		Maximum Hours Paid at Retirement or Death = 480 Hours	Lower of actual accrued sick leave balance or 480 hours.

City of  Texas
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 For All Non-Civil Service Employees
 Effective Date: Pay Period Beginning September 25, 2022

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8.		Maximum Hours Paid at Termination of Employment = 0 Hours	Lower of actual accrued sick leave balance or 480 hours.
9.		Maximum Hours Paid at Retirement or Death = 480 Hours	Lower of actual accrued sick leave balance or 480 hours.