



Council Agenda Report

To: Mayor Pierson and the Honorable Members of the City Council

Prepared by: Lisa Soghor, Assistant City Manager

Approved by: Reva Feldman, City Manager

Date prepared: August 10, 2020 Meeting date: August 24, 2020

Subject: Vacation and Sick Leave Cash-Out Provision

RECOMMENDED ACTION: Adopt Resolution No. 20-45 amending the Personnel System Rules and adopting a revised Vacation and Sick Leave Cash-Out Provision.

FISCAL IMPACT: There is minimal fiscal impact associated with the recommended action. Staff vacation accruals are an ongoing financial liability for the City and are reflected in the City's Comprehensive Annual Financial Report. Any unused vacation time must be paid to employees when they separate from the City. The only fiscal impact is the timing of when these funds are paid.

WORK PLAN: This item was not included in the Adopted Work Plan for Fiscal Year 2020-2021.

DISCUSSION: Administrative Guideline No. 3.7.8. provides employees some flexibility in determining their use of leave time by establishing a policy by which full-time employees can cash out unused vacation and sick time. The cash-out provision currently stipulates that full-time employees may cash out up to eighty (80) hours of vacation time each calendar year provided that the employee has a minimum of eighty hours (80) of vacation time remaining after the cash-out. Only full-time employees are eligible to cash out leave time.

Administrative Guideline No. 3.7.2 establishes the rate at which employees earn vacation and the maximum amount of vacation time employees may accrue. Full-time employees may accrue up to 192 hours of vacation time.

The City maintains employees' unused vacation and sick time as an ongoing financial liability. According to the guidelines, upon resignation or termination from employment,

regular full-time employees shall be paid for all unused accrued vacation leave at the regular hourly rate to a maximum of 192 hours.

At this time, as many families grapple with the economic effects of the COVID-19 pandemic and the safer at home orders, staff, who normally would have taken spring and summer vacations, are remaining at work. Consequently, many staff are reaching their accrual limits for vacation time. Management is recommending that the vacation cash-out provision be amended to allow eligible employees to cash out an unlimited number of hours of unused vacation time provided that they retain a minimum of eighty (80) hours of vacation time. Staff recommends that the existing sick leave cash-out provision remain unchanged.

On January 21, 2015, the City Council adopted Resolution No. 15-08 establishing personnel system rules, including the Vacation and Sick Leave Cash-Out Provision. Resolution No. 20-45 amends the Personnel System Rules and adopts the revised Vacation and Sick Leave Cash Out Policy.

On August 7, 2020, the Administration and Finance Subcommittee recommended that the Council approve the revised Vacation and Sick Leave Cash-Out Provision.

ATTACHMENTS:

1. Resolution No. 20-45
2. Revised Administrative Guideline No. 3.7.8

RESOLUTION NO. 20-45

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MALIBU AMENDING PERSONNEL SYSTEM RULES SECTION 3
OF RESOLUTION NO. 15-08

The City Council of the City of Malibu does hereby find, order and resolve as follows:

SECTION 1. On January 21, 2015, the Personnel System Rules were adopted by the City Council by Resolution No. 15-08.

SECTION 2. Section 14.9 of RULE XIV of the Personnel System Rules established Vacation, Sick and Other Leave.

SECTION 3. The City of Malibu hereby amends 14.9 of RULE XIV of the Personnel System Rules as follows:

RULE XIV. VACATION, SICK AND OTHER LEAVE

14.9 Cash Out Leave

- A. A regular full-time employee may cash out up to eighty (80) hours of sick time annually provided that the employee has a minimum of eighty (80) hours of sick time remaining after the cash out. Employees may cash out up to eighty (80) hours of sick time each calendar year.
- B. A regular full-time employee may cash out an unlimited number of hours of vacation time annually provided that the employee has a minimum of eighty (80) hours of vacation time remaining after the cash out. Employees may cash out an unlimited number of hours of vacation time each calendar year.

SECTION 4. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 24th day of August 2020.

MIKKE PIERSON, Mayor

ATTEST:

HEATHER GLASER, City Clerk
(seal)

APPROVED AS TO FORM:

THIS DOCUMENT HAS BEEN REVIEWED
BY THE CITY ATTORNEY'S OFFICE
CHRISTI HOGIN, City Attorney

VACATION AND SICK LEAVE CASH-OUT PROVISION

Purpose

Vacation and sick leave cash-out provision is provided to employees to allow them flexibility in determining use of leave time. This policy is most beneficial for those employees that have accrued the maximum amount of leave time and are forced to “use or lose” the time.

Policy

Vacation Time

A regular full-time employee may cash out an unlimited number of hours of vacation time annually provided that the employee has a minimum of eighty (80) hours of vacation time remaining after the cash-out. Employees may cash out an unlimited number of hours of vacation time each calendar year.

Sick Time

A regular full-time employee may cash out up to eighty (80) hours of sick time annually provided that the employee has a minimum of eighty (80) hours of sick time remaining after the cash-out. Employees may cash out up to eighty (80) hours of sick time each calendar year.

A “Request to Use Vacation or Sick Leave Cash-Out” form must be submitted to Administrative Services for verification and qualifying signatures for eligibility.