City Clerk's Office
Hiawatha City Hall
101 Emmons Street
Hiawatha, Iowa 52233

Memo

To: Mayor and Council
From: Kim Downs and Kari Graber
Date: September 11, 2019
Re: Vacation Accrual Changes

Employee Vacation Accrual- Department heads and I have been discussing the following changes to our vacation policy. Essentially, the changes are more about how it reads then how it changes. For years after the first year of employment vacation is rolled over at fiscal year and in a lump sum. Individually, employees accrue each pay period but are not awarded until a new fiscal year begins. The handbook already spells out the accrual rate in which we would like to implement the receival of that time in each pay period has the handbook calculation states instead of giving it in a lump sum. This change will streamline our payroll system and reduce accounting errors.

This process is exactly what we are doing for our union employees. Which, works very well with no errors. It takes the hassle out of payroll vacation rolls and keeps everyone's time up to date without having to prorate a new hire after their 1-year anniversary to the fiscal year vacation lump sum roll. This has been very confusing to a 1-year employee when going from anniversary year roll vs. fiscal year roll.

The accrual process would provide for a 300-hour cap for the first half of the year to allow people to use their time up accordingly. Then a 200-hour cap moving forward (same as our union contract). This change would limit individuals from growing their time above 200 hours, meaning it forces individuals to use their time earned in fear of losing those hours that take them over 200.

We have discussed this change with the department heads, whom for the most part like the change as presented. We sent a memo to the all non-union employees and were available to meet with employees who had questions about the recommended changes. We have had a few questions from those that are close to the 300-hour cap already and plan to work with them. It is not our intention for anyone to lose any vacation time they have earned. The purpose of the change is to simplify payroll, benefit one-year employees due to fiscal year vacation roll and to ensure that people use their time earned to refresh instead of building it to a point that it becomes a savings account upon retirement or termination of employment.

Kim and Kari

RESOLUTION NO. 19-
City Council

RESOLUTION AMENDING THE EMPLOYEE POLICY MANUAL
SECTION XI BENEFITS POLICIES

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIAWATHA, IOWA, to amend the Employee Policy Manual amending Section XI Benefits Policies, as follows:

SECTION XI

Vacation Policies

The City recognizes the importance and necessity of employee's time away from their job for purposes of leisure, recreation and relaxation. Generally, full-time hourly and salaried employees are eligible for paid vacation time based on their length of service. Generally, part-time employees who work less than 30 hours a week do not earn paid vacation. Vacation time may not be taken in increments of less than 15 minutes.

Generally, employees shall accrue paid vacation hours based on their years of completed service and their standard work week, not considering overtime, pursuant to the schedule below. Holiday, ~~and~~ vacation, sick and other leave hours, to the limit of normal work schedule hours, shall be considered ~~hours~~ "time worked" for the purpose of calculating accrued vacation eligibility. ~~Sick leaves and s~~Special leaves are not to be included as hours worked, except as specifically stated therein.

Vacation time is earned ~~on the anniversary date of employment and is~~ and available during the following years as follows:

Beginning~~Years of Completed Service Per Year (In Days)~~	Total Accrual
~~6 months~~Hire Date	~~40 Hrs; (1.54~~3.08 hours per pay period~~)~~
~~1 Year 80 Hrs;~~	~~(3.08 hrs per pay period)~~
3 Years	~~120 Hrs; (~~4.62 hours per pay period~~)~~
10 Years	~~160 Hrs; (~~6.15 hours per pay period~~)~~
18 Years	~~200 Hrs; (~~7.69 hours per pay period~~)~~

Vacation time for Full-time Fire medics assigned to a 52-hour work week is earned and available during the following years as follows:

Beginning	Fire Medic Total Accrual
Hire Date	4.00 hours per pay period
3 Years	6.00 hours per pay period
10 Years	8.00 hours per pay period
18 Years	10.00 hours per pay period

~~**Please note: After an employee's first year of service, vacation will roll on the fiscal year date and not on an employee's anniversary date. The period between the employee's first and second year of employment will be pro-rated for the July 1 vacation roll. The anniversary date is only used when the increment of vacation changes because of years of service as outlined in the schedule shown above.**~~

Employee's immediate supervisor will always try to let employee use their vacation time as desired, but vacations cannot interfere with the employee's department's operation. Employee's vacation must be approved by their immediate supervisor at least two (2) weeks in advance. If any conflicts arise in vacation requests, the employee's immediate supervisor will give priority to the earliest request in approving vacations when work assignments permit.

If an observed holiday occurs during an employee's scheduled vacation, pay for that day will be considered as holiday pay, not vacation pay. The employee may extend the scheduled vacation period accordingly.

Vacation shall not accrue while an employee is on an unpaid leave period.

Employees on suspension for disciplinary purposes are not eligible to receive vacation pay during the suspension.

Employees ordered to military training are not required to use earned vacation time during the training period but may request to do so, if desired.

If employee has unused vacation days upon the voluntary termination of their employment with the City, the employee will be paid for that time at their regular base hourly rate providing two weeks written notification to the City is given. Failure to furnish two weeks notice of termination will result in the forfeiture of earned but unused vacation leave.

If employee's employment with the City is terminated for any reason during their first year of service, no vacation is due upon termination. If at any point during employee's employment they are involuntarily terminated, they shall not be paid out for any earned but unused vacation.

Payment of all earned but unused vacation shall be included in the employee's final paycheck. Computation of the employee's vacation pay shall be on the basis of the employee's regular rate of pay, applicable at the time of separation.

An employee who retires from the City service shall remain an employee and be extended all benefits until all vacation is used.

~~Vacation hours may be held over to a maximum of 80 hours (2 weeks) with the written consent of the City Administrator. For police officers the Police Chief must provide written consent. For firefighters the Fire Chief must provide written consent.~~An

employee may accrue up to a maximum of 300 hours. Beginning July 1, 2020 an employee may accrue up to a maximum of 200 hours. When any employee reaches the maximum accrual, additional time earned shall be forfeited. To avoid forfeiting vacation, employees should use vacation hours before they reach their maximum accrual limit.

~~All City employees whose longevity is equal to or greater than the minimum employment period preceding the new fiscal year in which the vacation is awarded shall be eligible for vacation.~~ Employees who retire or who are terminated as "Reduction in Force" shall be awarded the amount of earned but unused vacation benefits in the current fiscal year of accrual at the time of termination.

AYES:
NAYS:
ABSENT:

PASSED AND APPROVED this 18th day of September, 2019.

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Bill Bennett, Mayor

ATTEST:

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Kari Graber, City Clerk