

City Of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 17, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 97: CITY LEAVE ACCRUAL POLICY

Mayor Euille and Councilman Wilson requested information on the estimated budgetary impacts of the addition of one hour to each of the accrual levels for Annual and Sick leave.

Attachments A and B show the City's current leave accrual tables for regular full-time and part-time employees. The accrual rates vary by length of employment and leave type. The Annual Leave accrual rates for a full-time (80 hours per pay period) regular employee range between 3.69 hours per pay period for a first year employee (12 days a year) and 7.39 hours for an employee with more than 12 years of service (24 days a year). The Sick leave accrual rate for full-time (80 hours per period) regular employee is 3.69 hours (12 days a year) regardless of years of service. These rates are prorated for part-time employees, or full-time employees with regular work-schedules of more than 80 hours per pay period.

The budgetary impact of an increase of 1 hour to both Annual and Sick leave manifests itself in two ways—neither of which are subject to precise calculation.

1. The staffing levels available to a department will decline as leave usage increases:

Assuming the one hour of additional leave is added to each pay period for both Sick and Annual leave, this would provide an employee with 26 hours more a year for each category, or 52 additional hours leave per year for each person in total. That is equal to 2.5% of a 2,080 hour work-year (which is the work year for General Schedule employees and most Police Department employees). So, it would reduce full-time staff available by that percentage if used in total each year. This 2.5% figure, however, is a maximum; leave balances generally accumulate over time and are not fully used each year. There is a limit, shown in the attachments, on how much annual leave can be carried over. Excess annual leave above the stated caps is credited to an employee's sick leave balance.

An additional 26 hours a year of Annual leave usage would be equal to 18.3% of current Annual leave usage, or an additional \$1.8 million. An additional 26 hours of Sick leave usage would be equal to 35.8% of current Sick leave usage, or an additional \$1.7 million.

It is not likely that much of the additional sick leave would be used because most employees do not use all of their existing sick leave balances.

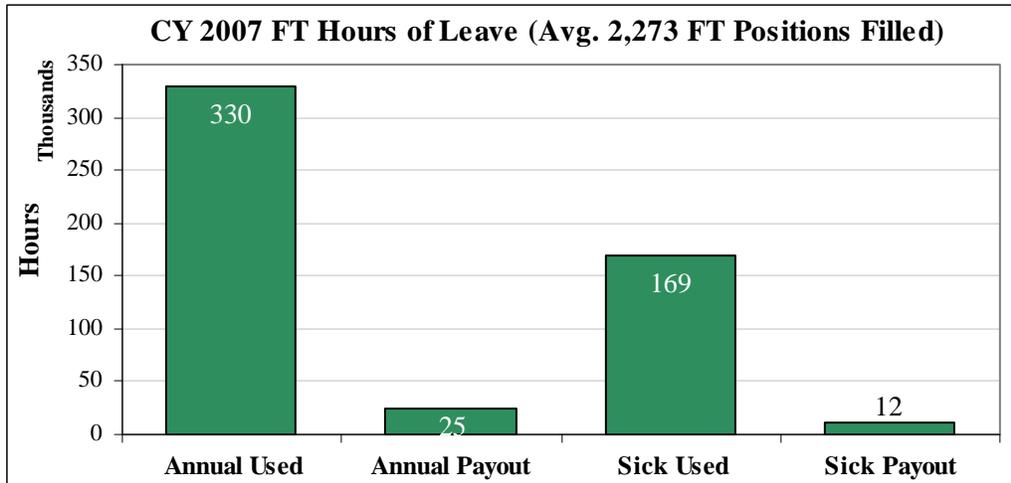
Again, these are maximum estimates. With 2,329 full-time employees on-board, the total value to employees of 1 additional hour per pay period of Annual and Sick usage is a maximum of \$3.5 million. This is equivalent to about 58 FTE's.

Also, the estimated cost does not include significant overtime costs in City departments where there is a minimum staffing requirement (Fire, Sheriff, etc.). With more leave usage where there is minimum staffing, other City staff will need to be called back on a time-and-one-half basis.

2. Leave pay out to separating employees will increase by some undetermined amount:

An employee who separates from City service in good standing will be paid for all unused Annual leave up to the maximum accrual cap as outlined in the attachment. The caps vary from 192 hours to 384 hours for full-time (80 hours per pay period) employees. Regular employees who have completed 20 or more years of service and who voluntarily separate from City service also will be paid 25% of their sick leave balance at the current rate of pay at separation, which is a common practice in area local governments.

For information, the chart below depicts the City's overall leave usage for full-time employees, including payout hours, over the past three calendar years. Employees use Annual Leave more often than Sick Leave. (The City has a Sick leave bonus program in place to encourage employees to reduce Sick leave usage.) More Annual Leave hours are paid out after an employee leaves the City as opposed to Sick leave hours. This is because of the City's policy of only paying 25% of sick leave hours for only employees that have at least 20 years of service.



ATTACHMENTS:

- A: Current City Full-time Employees Annual Leave and Sick Leave Accrual Table
- B: Current City Part-time Employees Annual Leave and Sick Leave Accrual Table

APPENDIX I

**CITY OF ALEXANDRIA
PERSONNEL/PAYROLL SYSTEM**

**REGULAR FULL-TIME EMPLOYEES
ANNUAL LEAVE AND SICK LEAVE ACCRUAL TABLE I**

ANNUAL LEAVE

LENGTH OF SERVICE	80 FT HOURS AL RATE/MAX	84 FT HOURS AL RATE/MAX	106 FT HOURS AL RATE/MAX	70 FT HOURS AL RATE/MAX
12 Months or less	3.69 accrual 192 maximum	3.88 accrual 202 maximum	5.54 accrual 288 maximum	3.23 accrual 168 maximum
1 Year	4.00 accrual 208 maximum	4.20 accrual 218 maximum	6.00 accrual 312 maximum	3.50 accrual 182 maximum
2 Years	4.31 accrual 224 maximum	4.52 accrual 235 maximum	6.46 accrual 336 maximum	3.77 accrual 196 maximum
3 Years	4.62 accrual 240 maximum	4.84 accrual 252 maximum	6.92 accrual 360 maximum	4.04 accrual 210 maximum
4 Years	4.92 accrual 256 maximum	5.17 accrual 269 maximum	7.39 accrual 384 maximum	4.31 accrual 224 maximum
5 Years	5.23 accrual 272 maximum	5.49 accrual 285 maximum	7.85 accrual 408 maximum	4.58 accrual 238 maximum
6 Years	5.54 accrual 288 maximum	5.82 accrual 303 maximum	8.31 accrual 432 maximum	4.85 accrual 252 maximum
7 Years	5.85 accrual 304 maximum	6.14 accrual 319 maximum	8.77 accrual 456 maximum	5.12 accrual 266 maximum
8 Years	6.15 accrual 320 maximum	6.46 accrual 336 maximum	9.23 accrual 480 maximum	5.39 accrual 280 maximum
9 Years	6.46 accrual 336 maximum	6.79 accrual 353 maximum	9.69 accrual 504 maximum	5.65 accrual 294 maximum
10 Years	6.77 accrual 352 maximum	7.11 accrual 370 maximum	10.15 accrual 528 maximum	5.92 accrual 308 maximum
11 Years	7.08 accrual 368 maximum	7.43 accrual 386 maximum	10.62 accrual 552 maximum	6.19 accrual 322 maximum
12 Years or more	7.39 accrual 384 maximum	7.75 accrual 403 maximum	11.08 accrual 576 maximum	6.46 accrual 336 maximum

SICK LEAVE

	80 FT HOURS	84 FT HOURS	106 FT HOURS	70 FT HOURS
SICK LEAVE ACCRUAL RATE	3.69 accrual 12 days/year	3.88 accrual 12 days/year	5.54 accrual 12 days/year	3.23 accrual 12 days/year

CITY OF ALEXANDRIA
PERSONNEL/PAYROLL SYSTEM

REGULAR PART-TIME EMPLOYEES
ANNUAL LEAVE AND SICK LEAVE ACCRUAL (PER PAY PERIOD) TABLE II

ANNUAL LEAVE

LENGTH OF SERVICE	70 PT HOURS AL RATE/MAX	60 PT HOURS AL RATE/MAX	50 PT HOURS AL RATE/MAX	40 PT HOURS AL RATE/MAX	20 PT HOURS AL RATE/MAX
12 Months or less	3.23 accrual 168 maximum	2.77 accrual 144 maximum	2.31 accrual 120 maximum	1.85 accrual 96 maximum	.92 accrual 48 maximum
1 Year	3.50 accrual 182 maximum	3.00 accrual 156 maximum	2.50 accrual 130 maximum	2.00 accrual 104 maximum	1.00 accrual 52 maximum
2 Years	3.77 accrual 196 maximum	3.23 accrual 168 maximum	2.69 accrual 160 maximum	2.16 accrual 112 maximum	1.08 accrual 56 maximum
3 Years	4.04 accrual 210 maximum	3.47 accrual 180 maximum	2.89 accrual 150 maximum	2.31 accrual 120 maximum	1.16 accrual 60 maximum
4 Years	4.31 accrual 224 maximum	3.69 accrual 192 maximum	3.08 accrual 160 maximum	2.46 accrual 128 maximum	1.23 accrual 64 maximum
5 Years	4.58 accrual 238 maximum	3.92 accrual 204 maximum	3.27 accrual 170 maximum	2.62 accrual 136 maximum	1.31 accrual 71 maximum
6 Years	4.85 accrual 252 maximum	4.16 accrual 216 maximum	3.46 accrual 180 maximum	2.77 accrual 144 maximum	1.39 accrual 72 maximum
7 Years	5.12 accrual 266 maximum	4.39 accrual 228 maximum	3.66 accrual 190 maximum	2.93 accrual 152 maximum	1.46 accrual 76 maximum
8 Years	5.38 accrual 280 maximum	4.61 accrual 240 maximum	3.84 accrual 200 maximum	3.08 accrual 160 maximum	1.54 accrual 80 maximum
9 Years	5.65 accrual 294 maximum	4.85 accrual 252 maximum	4.04 accrual 210 maximum	3.23 accrual 168 maximum	1.62 accrual 84 maximum
10 Years	5.92 accrual 308 maximum	5.08 accrual 264 maximum	4.23 accrual 220 maximum	3.39 accrual 176 maximum	1.69 accrual 88 maximum
11 Years	6.20 accrual 322 maximum	5.31 accrual 276 maximum	4.43 accrual 230 maximum	3.54 accrual 184 maximum	1.77 accrual 92 maximum
12 Years or more	6.47 accrual 336 maximum	5.54 accrual 288 maximum	4.62 accrual 240 maximum	3.70 accrual 192 maximum	1.85 accrual 96 maximum

SICK LEAVE

	70 PT HOURS	60 PT HOURS	50 PT HOURS	40 PT HOURS	20 PT HOURS
SICK LEAVE ACCRUAL RATE	3.23 accrual 12 days/year	2.77 accrual 12 days/year	2.31 accrual 12 days/year	1.85 accrual 12 days/year	.92 accrual 12 days/year