

Memo

To: Village Board

Fr: Tracy Flucke, Administrator

Re: Implementing PTO Program

Date: October 30, 2013

Upon a general discussion with the department heads in regard to PTO, the following suggestions were made:

1) **Sick leave** moved to PTO Block at a reduced amount of 6 to 8 days a year (currently receive 12 days a year)

2) **Vacation** is moved to a PTO block based on the following schedule for all employees. (we currently have two different vacation schedules)

Upon hire - 2 weeks prorated

1st year - 2 weeks

5th year - 3 weeks

12th year - 4 weeks

20th year - 5 weeks

Anyone over 5 weeks will be frozen at current amount earned.

3) **Personal days** moved to a PTO Block - 3 days each year – prorated first year of hire (currently receive 3 days a year)

4) **Maximum carry over** – from the PTO Block is 15 days (example: of PTO balance - 8 days of sick leave, 10 days of vacation and 3 personal days = 21 days available for leave in first full year)

5) **Extended Leave Bank (ELB)** - all accumulated sick time is capped at the employees' current balance and moved into the ELB. No more sick leave can be added to the current balance. The ELB can only be used for FMLA, medical necessity lasting three (3) or more consecutive days, or payout upon retirement.

Decisions to be made in regard to ELB include: what the accrual cap will be, requirements for payout (Sick leave balance, years of work payout requirement, payout

immediately – total balance or portion of balance, minimum sick leave balance required to be moved to ELB etc.)

More research needs to be done on the ELB.

6) **Short Term Disability** - The village offers an optional employee cost or provides a short term disability policy. The village currently provides a long term policy and covers total premium for 180 day start. Employees can buy down to as low as 30 day start.

Upon checking on short term polices with a start time of 7 days for accident and 7 days for illness – total estimated premium would be between \$5,000 and \$7,000 a year. The premium can change considerably depending on start day, amount of coverage and how long the coverage continues, number of employees, income level of all participants etc. – so it is impossible to get a good quote at this time.

In regard to short term disability many of our employees will not need it because they have the ELB to use for an illness or injury until their long term disability would kick in. The Village might be better off buying down the long term disability coverage to 30 days for all employees or suggesting employees buy down the long term disability coverage to 30 days. Then the employee only has a thirty day gap to cover which could almost be covered with the PTO amount (minimum amount is 21 days)

More research needs to be done to determine if we need short term disability and if so how we want to handle it.

Please note these are suggestions are from the management level and nothing has been discussed with employees at this time. This is for input from the Village Board and if you feel these suggestions merit more research and refinement. If so staff will continue to work on it and begin to involve the employees in the discussion.

Any budgetary impact of the PTO would be if the Village Board decides to pay out some or all of the employees' accumulated sick leave and short term and or long term disability implementation or changes.

The Village Board is asked to provide direction on PTO implementation and the suggestions bought forth. Thank you.