

CENTRAL BASIN MUNICIPAL WATER DISTRICT    OCTOBER 11, 2006 - Finance/Administration  
Hawkins, Apodaca  
OCTOBER 24, 2006 - Board Meeting  
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Approved by: Art Aguilar

## ACTION CALENDAR

### VACATION AND SICK LEAVE CASH OUT

#### SUMMARY:

Central Basin (District) provides vacation and sick leave, accrued each pay period, to employees. The maximum vacation accrual shall be equivalent to 10 days, plus the employee's two-year accrual rate. The maximum sick accrual is 960 hours. According to the Administrative Code, there is a payout of sick leave once the accrued hours exceed the maximum. The Administrative Code does not state anything else in regards to cash out of accrued vacation and sick leave.

On June 28, 2006, after accepting continuation of employment with the District, each employee signed an agreement acknowledging the carry over of their accrued vacation and sick leave accounts once the separation from West Basin Municipal Water District occurred. The agreement states that the employees will have a one-time opportunity to cash out their accrued vacation and sick leave accounts after July 1, 2006. This cash out is optional to employees.

In order to conform to the agreement, certain criteria were made. The criteria would require each employee to have a set reserve amount of accrued hours in their vacation and sick accounts. A reserve in each account is needed in case of emergencies. Also, this set reserved amount allows for participation by most employees.

- 60 hours of accrued vacation leave must remain in the account, the remaining hours will be cashed out; and
- 60 hours of accrued sick leave must remain in the account; the remaining hours will be cashed out.

With the cash out, the District will save money by paying at the current pay rate instead of at a higher future pay rate. If all employees participate, the potential cash out amount would be approximately \$181,000.

#### FISCAL IMPACTS:

This has been recorded as a liability.

#### ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance/Administration Committee on October 11, 2006. The Committee recommended agendaizing this item to the October 24, 2006 Board meeting Action Calendar for consideration.

RECOMMENDED MOTION:

That the Board approves the Vacation and Sick Leave Cash Out Plan.

LIST OF EXHIBITS:

None.

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