



City of CHARLOTTE

MEMORANDUM

TO: Mayor Lewis and City Council Members

FROM: Gregg Guetschow, City Manager

SUBJECT: Employment Contract Vacation Provision

DATE: December 23, 2015

The Second Restated Employment Contract included elsewhere in the agenda packet was the subject of your special meeting on December 21. It contains a “housekeeping” change to the vacation provisions of section 5 for which an explanation is warranted.

Employees earn and accrue vacation time based on their date of hire. Vacation time becomes available for their use in the year following the year in which it is earned. In my case, the vacation time that I have been using since February 1, 2015 is time that I earned by working between February 1, 2014 and January 31, 2015 along with some carry-over from the prior year as authorized by the City’s personnel policies.

Unlike all other City employees, my employment by the City is for a definite term. If, as in the past, the Council merely extends the term of my contract, this does not require addressing vacation accrual since there is, in essence, no true break in service. In 2014, however, due to various factors, the City Attorney felt it advisable to restate the entire contract.

One of the factors that needed to be addressed, then, was when vacation time is credited. It had been the City’s practice in the past to credit employees with earned vacation time on May 1 instead of their anniversary dates of hire and this was reflected in my prior contract. To simplify record keeping, this practice had been changed over time for other employee groups. By 2014, I was the only employee still being credited earned vacation time on May 1 instead of my anniversary date, which was a nuisance for the City Clerk’s office. In 2014, in restating the contract, the May crediting language was removed so that vacation time would be credited to me in a way that would conform to the practice applied to all other employees. That is, it would be based on anniversary date. This necessitated crediting a pro rata amount of 121 hours to my existing vacation time bank, an amount that reflected vacation time earned from May 1, 2013 to January 31, 2014.

In the Second Restated Employment Contract, it is necessary to include language addressing vacation time I have earned since February 1, 2015 but that

has not yet been credited to me. That amount is 160 hours: 20 days vacation X 8 hours/day =160 hours. On first blush this looks like an increase in vacation time when compared to the 121 hours included in the First Restated Employment Contract. This difference simply reflects the longer time period over which the vacation time had been earned.

In short, the 160 hours is time that I will have earned over the preceding year that is credited when the employment contract goes into effect.

Assuming that future restated contracts commence on July 1 and there is no change in the rate of vacation time accrual, the language of section 5 A.1 can be deleted entirely. I will have already passed my anniversary date of hire and vacation time earned will have been added to my bank in accordance with the City's personnel policies.