

**CITY OF LAKE ELMO  
WASHINGTON COUNTY, MINNESOTA**

**RESOLUTION NO. 2004-007**

**A RESOLUTION AMENDING THE PERSONNEL POLICY RELATING TO  
PERSONAL TIME OFF (PTO)**

WHEREAS, the current personnel policy adopted by the Lake Elmo City Council on July 20, 1999, amended February 5 and 19, 2002, outlines vacation and sick leave benefits available to full time employees.


WHEREAS, at the December 30<sup>th</sup> workshop, the Lake Elmo City Council reviewed a Personal Time Off (PTO) Policy that would replace the existing vacation and sick leave policy.

NOW, THEREFORE, BE IT RESOLVED that the Lake Elmo City Council approves amending the City's Personnel Policy by deleting the "Vacation" and "Sick Leave" sections in their entirety, and adding a new section entitled "Personal Time Off" as attached and made part of this resolution.

ADOPTED by the Lake Elmo City Council on the 6<sup>th</sup> day of January, 2004.

  
\_\_\_\_\_  
Lee Hunt, Mayor

ATTEST:

  
\_\_\_\_\_  
Charles E. Dillerud  
Acting City Administrator

**Agenda Item:** Personnel Policy Amendment – Personal Time Off (PTO)

**Background Information for January 6, 2003:**

At the December 30 Workshop the Council was introduced to and discussed a Personal Time Off (PTO) Policy that would replace our existing vacation and sick leave policies. The Council appears to concur with the sample PTO Policy that was presented – with some modifications. I have attached the Policy discussed on December 30, with the following modifications:

1. The "Personal Time Off Schedule" has been modified to reflect the City's current vacation accrual schedule + 6 days (rounded to even half hour accruals per bi-weekly pay period). As previously directed by the Council, the Schedule has been set up to cap the maximum "vacation component" of the PTO schedule at 25 days after 15 completed years of service. Since we have one employee already accruing 30 days of vacation, a sentence was added to grandfather his accrual rate.
2. I have modified the dates of the "Benefit Year" from 3/1 - 2/28 to 4/1 - 3/31. Not only do I dislike the "leap year" consequences of a 2/28 date, this will also give employees with large existing vacation banks (which will become PTO banks) an extra month to burn off some hours.
3. The "Extended Illness Bank" feature was added to address the existing employee sick leave banks. The same "cash out" provisions as with current Policy were added as well (50% or 50 days after 5 years, whichever less), but I have deleted the present Policy clause to permits an employee to convert sick leave in excess of 100 days into vacation leave.

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**Action items:**

Motion to approve Resolution #2004 - , Amending the City's Personnel Policy by deleting the "Vacation" and "Sick Leave" sections in their entirety; and adding a new section entitled "Personal Time Off".

**Person responsible:**

Acting City Administrator  


**Attachments:**

1. Draft Resolution #2004 – Amending Personnel Policy
2. Draft Additions to Personnel Policy

**Time Allocated:**

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A clause of the Arden Hills Policy that we did not discuss on December 30 (which I have left in our draft PTO Policy) addresses "Exempt Employee Flex-Time Guidelines". The issue of Comp Time has been addressed, and the Policy has been tinkered with, a number of times in the past 5 years. Although the Policy is still difficult to follow, it appears that the current Policy for exempt employees is that they may accrue Comp Time at a rate of 1 hour for each 3 hours worked – to a maximum of 16 hours

Personally, I have never been a fan of a fixed Policy regarding Comp Time for exempt employees. It has always been my belief that time on the job in excess of the 40 hour week was considered in the higher salary scales for managerial and professional staff members; and, the ability of those managers and professionals to manage their own time responsibly– "flex", if you will. Even though I had never been formally credited Comp Time for the many night meetings I worked with prior public employers, the former administrator insisted that I do so here. I did accrue Comp Time beginning my second year here (at the administrator's insistence), but I suspended that practice on the departure of the former administrator on December 19, 2002 – as has Tom Bouthilet. Maybe that is a function of our age, and/or a different perspective as to what constitutes being a manager and professional.

What I have done since December 19, 2002 is to occasionally "flex" my work time – always during the same work week, and only when the work load has permitted. As was the case with prior public positions, I have seldom totally balanced to a 40 hour week – and that isn't of concern to me. If I had chosen to flex over the entire 2 week pay period – which is permitted for exempt employees in many cities – I could have done a better job of balancing.

I believe the formalization of "flex time" in the public sector has grown out of the realization that, in some cases, the (now dated, I guess) concept of managers and professionals working until the job is completed has been tarnished a bit by the simple math of converting uncompensated hours to income per hour worked. In some cases, the actual hourly compensation of managerial and professional staff ends up less than that subordinate staff without the education and experience investments that resulted in the others becoming managers and professionals. Arden Hills decided the time had arrived to formalize a flex time solution in Policy. Perhaps the time has arrived here to both distinguish Comp Time (for non-exempt) from Flex Time (for exempt) and move the flex time concept to a legal and formal system. The Arden Hills approach seems as fair as any I have seen to accomplish these goals.