



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: October 27, 2025

Agenda Item: 2025 PTO Conversion Payout Authorization

Subject | Summary: In 2024 the Council approved Personnel Policy 12.01.05 Annual Leave Conversion, which requires annual approval for the Leave Conversion option:

Annual leave may be converted to a cash payment on an hour-for-hour basis annually based on annual funding availability and in accordance with the following conditions. Up to Eighty (80) hours, will be converted to cash each year provided the employee has used at least the following % of accrued hours for the current calendar year and has a remaining balance of at least 160 hours.

<u>Years of Service</u>	<u>%</u>
0-5 Years	60%
6-10 Years	68%
11-15 Years	71%
16-20 Years	74%
21-25 Years	76%
26 and Beyond	78%

The minimum balance requirement will be determined as of the first payroll in December. Payment will be based on the employee's regular hourly rate on December 1.

The annual conversion needs to be approved annually based on funding availability. The converted leave will be paid in the second payroll of December with specific dates to be determined by accounting each year. Regular hourly rate for the purpose of this policy is the employee's straight time rate not including overtime, pay differentials, out-of-class adjustments, or any other additions to regular pay.

Agenda Category:

Submitted By: Michele Peterson

Recommended Motion: Motion to approve with the recommendation of the Personnel Budget Committee.

Community Engagement and Outreach:

FISCAL IMPACT:

Amount:

Ongoing Cost :

One-Time Cost :

Included in Current Budget?: Yes

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments: