

# **TOWN** *Of* **PARADISE VALLEY**



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## **STAFF REPORT**

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**TO:** Mayor Bien-Willner and Town Council Members

**FROM:** Jill Keimach, Town Manager

**DATE:** November 18, 2021

**DEPARTMENT:** Town Manager  
Jill Keimach, 480-348-3533

**AGENDA TITLE:**

Discussion and Approval to Rescind the Temporary Suspension of Section 940(J) Sick Leave Payout Policy as a Result of COVID-19 Financial Constraints

**RECOMMENDATION:**

Rescind the Temporary Suspension of Section 904(J) in Resolution 2020-20 that altered the Council approved sick leave payout policy

**SUMMARY STATEMENT:**

On July 11, 2020, the Town Council approved Resolution 2020-20 (Attachment A), which amended several financial management policies due to the economic downturn that the Town was experiencing during the height of the COVID-19 pandemic. Also included in the resolution, was the temporary suspension of Section 940(J) Sick Leave Policy. The Policy allows the Town to reduce its long-term liability of accumulated sick leave by allowing an employee that has accumulated in excess of 480 hours to convert it at 50% value to either vacation time or 50% cash value. The suspension of the cash payout allowed employees to only convert it to 50% vacation time as a cost saving measure, but more importantly to encourage sick employees to stay home.

The Town's revenue has recovered since the peak of the pandemic and FYI 2020-21. Consequently, there is currently no financial hardship to continue to suspend this policy that effects employees that have accumulated more than 480 hours of sick leave.

**BUDGETARY IMPACT:**

The current FY2021/22 Budget includes a total of \$56,602 for the anticipated sick leave payout under this policy. By paying out these accumulated liabilities this year, rather than postponing the liability to a future date, the Town pays a lower rate, assuming staff salaries increase over time due to cost of living and merit pay increases.

**ATTACHMENT(S):**

Attachment A: Resolution 2020-20