

RESOLUTION NO. _____ (CM)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE CONTINUING THE VOLUNTARY TIME OFF PROGRAM AVAILABLE TO EMPLOYEES THROUGH 2013-2014

WHEREAS, the City Council approved and offered City employees the Voluntary Time Off Program in May 2009, April 2010, April 2011, and June 2012; and

WHEREAS, City staff recommends that the City Council reinstate the Voluntary Time Off Program for Fiscal Year 2013-2014; and

WHEREAS, the proposed Voluntary Time Off Program aims to achieve savings, minimize the impact on public services, and help mitigate layoffs and other personnel reductions.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

1. That the Voluntary Time Off (VTO) Program available until July 6, 2014, a copy of which is attached hereto and incorporated herein, is hereby adopted and approved.



**CITY OF WATSONVILLE
VOLUNTARY TIME OFF (VTO)
PROGRAM GUIDELINES
July 6, 2013-July 6, 2014**



PURPOSE

The purpose of the Voluntary Time Off (VTO) program is to provide voluntary, personal leave without pay as a method to reduce City salary costs during a budget crisis. Another objective of the VTO program is to assist in mitigating layoffs and other personnel reductions. Use of this program is strictly an effort to achieve salary savings and shall not be considered or construed as a lack of work. If the VTO does not result in cost savings to the City, creates staffing levels that cannot provide adequate service to the public, or hinders departmental operations, then the VTO leave may be denied.

PROGRAM

The City intends to offer this voluntary time off without pay to regular, non-temporary City employees only during periods of economic hardship designated as such by the City Manager. Participation in the VTO program requires approval of the employee's supervisor, department head, and City Manager under the conditions stated above.

VTO will only be allowed for employees who desire to reduce the weekly work schedule by whole hour increments for a defined period of time.

Individual days off without pay will not be approved under the VTO program beginning on July 6, 2013.

All employees approved to participate in the program must sign an agreement committing to the reduced work schedule in a defined time period.

The City shall continue to pay the same level of health benefits (medical, dental, vision, life, etc.) during a period of VTO as the employee qualified for prior to participation in the program. However, effective July 6, 2013, all other accrued benefits (vacation, sick leave, holiday hours, admin leave, etc.) will be pro-rated accordingly with the reduced schedule. For example, if an employee reduces to 75% time, vacation benefits will be accrued at a rate 25% less than if working full time. Qualifications for merit increases shall not be impacted by VTO. Seniority accruals shall not be impacted by VTO.

Employees may reduce their annual hours worked to approximately 1,720 hours and still receive a full year of service credit from the California Public Employees' Retirement System (CalPERS). The amount of worked hours required to earn a full year of service credit is established by CalPERS and subject to change. Employees who are concerned about their service credit accrual should consult with Human Resources before committing to the VTO program. Participation in the VTO program may impact retirement benefits and those considering participation in the VTO program during their last year of employment before retiring should consult with CalPERS about the potential impact on their retirement benefits. Employees are responsible for monitoring the effect of VTO on future retirement benefits.

For certain positions, granting of VTO may result in additional City costs, such as overtime, which offset or exceed savings from VTO or result in unacceptably low staffing levels, hindering the delivery of critical services to the public. In such cases, the purpose of VTO would not be achieved and the VTO request may not be authorized. VTO must result in savings to the City without compromising delivery of critical services to the public or having a material negative impact on departmental operations. The City

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Manager may cancel or suspend an employee's approved VTO if operational needs mandate the employee's services. Employees will be noticed about VTO cancellation in accordance with the schedule change provisions of the appropriate Memorandum of Understanding (MOU) or 14 days (whichever is greater).

VTO shall not be available to employees on other leaves without pay nor be used to extend leaves of absence. Employees shall not use accrued paid time in lieu of VTO hours.

VTO used during a pay period shall not count as time worked toward the computation of overtime.

During VTO periods, employees remain responsible for paying the health benefit premium that is normally deducted from every pay check.

PROCEDURE

1. Requests to enroll in the VTO program must be submitted in writing to the employee's supervisor or department head using the attached Voluntary Time Off (VTO) Request\Agreement.
2. The employee's supervisor shall review and make a statement regarding the workload impact, anticipated cost savings, and a recommendation regarding the request. The request shall then be forwarded to the department head.
3. The department head will review the employee's request and the supervisor's statement and, upon approval, forward it to the City Manager for final approval. The department head is responsible for ensuring that the VTO is consistent with the conditions and intent of the VTO policy.
4. Upon approval by the City Manager, the VTO form shall be distributed as follows: one copy to the employee, one copy to the initiating department, one copy to the Human Resources, and one copy to Payroll.
5. Once a VTO form is approved by the City Manager, it is binding upon the employee for the entire period at the agreed upon participation level unless it is found that continuation in the program will cause undue hardship to the employee due to unforeseen circumstances.
6. This program is in effect through July 6, 2014.

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Employee Name: _____ Date: _____

Department: _____

Job Classification: _____ Division: _____

I hereby voluntarily request a reduction in my work schedule. I acknowledge there will be a reduction in my salary and my leave accruals will be pro-rated (i.e. vacation, sick leave, administrative leave, personal leave, and holiday hours). However, the City shall continue to pay the same level of benefits for the medical, dental, vision, and life insurance plans as I am entitled to prior to participation in the program. If approved, I agree to the reductions specified below.

Employee Signature: _____ Date: _____

For proposed workweek reduction, please specify enrollment period:

From: _____ To: _____

Specify number of proposed weekly hours: _____
Please detail your proposed weekly schedule:

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Supervisor
Signature: _____ Date: _____

I recommend Do not recommend this VTO enrollment.

Supervisor statement of workload impact, anticipated cost savings:

APPROVALS:

This request is approved as it meets the goals and intent of the VTO program.

Department Head Signature:		Date:
City Manager Signature:		Date:

Comments:

DENIALS:

This request is denied as it does not meet cost savings goals or it cannot be granted without negatively impacting departmental operations.

Department Head Signature:		Date:
City Manager Signature:		Date:

Comments:

Distribution:

*Employee
Initiating Department
Human Resources Department
Employee Personnel File
Payroll*