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# 190577

Ordinance

## Provide an exception to Human Resources Administrative Rule 6.03, Vacation, allowing forfeited vacation carryover hours to be moved to a separate bank that employees can access until calendar year 2024 when hours will be forfeited

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. This Ordinance supports employees who have continued to work in difficult conditions during COVID-19.
2. All employee accruals have been impacted by the global pandemic and the City will need to develop long term sustainable solutions to address usage of accrual banks through progressive approaches designed for optimal flexibility for the employee and fiscal responsibility for the City.
3. Currently, Human Resources Administrative Rule 6.03 allows for vacation credits to be accrued up to a maximum of two year's earnings, or three years (dependent upon position) by the end of the first pay period in January of each calendar year. Hours in excess of stated limits within HRAR 6.03 which are not used by the end of the first pay period in January of any calendar year are forfeited from the employee's accrual and are no longer available for use in terms of eligible time or as a pay-out upon separation.
4. This Ordinance action does not extend these accrual limits but provides employees an additional bank and an additional two year timeline to use the accrued leave they would have otherwise forfeited. This approach helps to eliminate the potential loss of vacation accruals for employees by establishing a separate bank and allowing the employee to access the banked hours for up to an additional two years.
5. Employees will be able to access the vacation over max bank regardless of other accrual priorities (e.g. personal time, deferred holiday or vacation time) for maximum flexibility.

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Human Resources;](#)  
[Management and Finance](#)

Prepared by

Cathy Bless

Date Prepared

September 10, 2021

Requested Agenda Type

Consent

6. Employees who separate from the City after the first pay period in January 2022 but before the first pay period ending January of 2023 shall be eligible for a payout of 25% of any unused vacation over max banked hours. Employees who separate from the City after the first pay period in January 2023 and before the first pay period in 2024 will not be eligible for pay-out of any hours held in the vacation over max accrual bank. At the end of the 2nd pay period of 2024, any remaining vacation over max bank hours will be forfeited.
7. This vacation over max accrual bank is a one-time bank, no additional hours can be added to this bank. Employees will be required to use future accrued time in accordance with HRAR 6.03 and will be subject to accrual limits and forfeiture.

NOW, THEREFORE, the Council directs:

- A. Authorize the City to establish a new accrual bank for the purpose of protecting an employee's vacation accruals over the maximum allowed under HRAR 6.03 at the end of the first pay period in January 2022. Only vacation accrual hours subject to forfeiture will be allocated to this bank.
- B. Council directs BHR that employees shall be eligible for a 25% payout of any unused vacation over max bank hours if they separate employment after the first pay period in January 2022 but before the first pay period ending in January of 2023. Council further directs BHR that employees who separate from the City after the first pay period in January of 2023 shall not have any hours paid out from the vacation over max bank upon separation.
- C. Council directs BHR to collaboratively develop a long-term sustainable solution for Council consideration by July of 2022 to address accrual banks using progressive approaches designed with optimal flexibility for the employee and fiscal responsibility for the City.
- D. Bureaus shall manage staffing coverage requirements in order to minimize additional costs that may result from the vacation over max accrual bank and manage those costs within existing current service level appropriation.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council  
October 13, 2021

Auditor of the City of Portland  
Mary Hull Caballero

## Impact Statement

 [Impact Statement](#) (31.86 Kb)

## Budget Office Financial Impact Analysis

This action expands the employee vacation accrual benefit by giving employees two years to use the accrued leave they would have otherwise forfeited. The direct fiscal impact from this action is difficult to determine as the number of employees who will separate from the City during the benefit eligibility period is unknown. Of those who decide to separate, it is unknown how many staff will have accrued vacation time over the maximum amount to take the benefit. While the cost impact is difficult to determine, the cost impact is expected to be incremental as the City already provides vacation payouts under the max amount for employees separating from the City. Lost productivity from employees taking accrued vacation leave may also result from this action.

## Agenda Items

### 733 Consent Agenda in [October 6, 2021 Council Agenda](#)

Passed to second reading

Passed to second reading October 13, 2021 at 9:30 a.m.

### 745 Consent Agenda in [October 13, 2021 Council Agenda](#)

Passed

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea

Mayor Ted Wheeler Yea