



106 Washington Avenue, Oshkosh, Wisconsin 54901-4985

## MEMORANDUM

**DATE:** July 19, 2022  
**TO:** Oshkosh Public Library Board of Trustees  
**FROM:** Jeff Gilderson-Duwe, Library Director  
**RE:** Proposed Changes to OPL Employee Pay and Benefits: Performance Pay and Vacation Leave

I submit for Library Board consideration two significant changes to OPL employee pay and benefits: elimination of pay for performance bonuses and an overhaul of the paid vacation leave policy and procedures. This memo lays out the rationale for each proposal. Attached documents provide more detail about the vacation leave proposal.

### **Pay for Performance:**

I propose to end the pay for performance program that gives a January bonus of \$500 to all employees who are judged on their annual performance evaluations to be meeting expectations. I also propose to end the practice of giving a \$1000 bonus to selected employees who are judged on their annual performance evaluations to be exceeding expectations, as nominated by their supervisors, and chosen by the Director.

### **Reasons for proposing the change:**

- What began as a morale boosting effort has become an expectation;
- The excellent staff who receive higher bonus amounts are not recognized publicly, diminishing the potential for modeling best practices; and
- Meeting performance expectations ought to qualify employees for budgeted “cost of living” increases but not for performance bonuses. This is a viewpoint that has been put forward by our Library Board President.

In the 2023 budget, I will recommend shifting funds previously used for staff bonuses to supplement any across-the-board increase in next year’s pay plan.

*“A Library in Every Life”*

One project in the 2022 strategic action plan is to organize a Staff Engagement Committee with representation from throughout the Library. I will ask that committee to bring forward recommendations for an effective employee recognition program. Once the committee's recommendations are finalized and have been reviewed, I will approach the board seeking funding support for employee recognition.

**Action requested:** Decide whether to support the Director's plan to shift budget resources in 2023 from annual performance bonuses to across-the-board salary increases.

### **Vacation Leave:**

I propose to change the system of vacation leave accrual, use and management from a back-loaded approach (earn first then use) to an earn-as-you-go approach (start employment with a balance; earn each month; use up to a maximum balance).

#### **Reasons for proposing the change:**

- Under the present system, new hires start with zero vacation leave and have none credited to them until the beginning of the following year. The proposed new system would start them off with vacation leave credit and allow them to begin building (and using) their accrued leave balance immediately. I believe that this will be a useful tool for recruiting good candidates for vacancies.
- The "use it or lose it" element of the current system will go away. This will take away the pressure to use all available vacation before the end of the year, which has put pressure on managers to staff all functions even as employees try to use up remaining vacation balances.
- Since accrued vacation leave will not disappear at the beginning of the next year, employees will be able to manage their own vacation leave balances and make plans for future trips or vacations.
- Balances and earned hours will be handled by the automated payroll system; the new system will require less administrative support as year-end or terminal balances will no longer need to be calculated and manually updated.

**Action Requested:** Decide whether to approve the Director's plan to implement new methods of vacation leave accrual, use and management by:

1. Rescinding the current version of Section 211: Vacation in the Library Employee Handbook; and
2. Replacing it with a new version of Section 211: Vacation as detailed in Attachment A.
3. Recommended effective date: August 1, 2022

**Implementation Plan:** The plan for transitioning employees from the current vacation leave system to the new one is detailed in Attachment B.

**ATTACHMENT A.**  
**Oshkosh Public Library**  
**Proposed Personnel Policy Revision**  
**Section 211 - VACATION**  
**July 28, 2022**

**REASON FOR REVISION**

- Under the present system, new hires start with zero vacation leave and have none credited to them until the beginning of the following year. The proposed new system would start them off with vacation leave credit and allow them to begin building (and using) their accrued leave balance immediately.
- The “use it or lose it” element of the current system will go away. This will take away the pressure to use all available vacation before the end of the year, which has put pressure on managers to staff all functions even as employees try to use up remaining vacation balances.
- Since accrued vacation leave will not disappear at the beginning of the next year, employees will be able to manage their own vacation leave balances and make plans for future trips or vacations.
- Balances and earned hours will be handled by the automated payroll system; the new system will require less administrative support as year-end or terminal balances will no longer need to be calculated and manually updated.

**REVISED POLICY**

**221 VACATION**

All regular full-time and regular part-time employees shall be entitled to paid vacation leave, which shall be earned and used in accordance with the terms in this section.

1. Allocation - Employees are allocated paid vacation leave hours based on their length of employment up to the amounts shown below. Regular part-time employees and part-time employees are allocated paid vacation hours on a pro-rated basis, as calculated using the method in Section 200 (1) of this handbook.

	<b>Annual Allocation (Days)</b>	<b>Annual Allocation (Hours)</b>	<b>Monthly Allocation (Hours)</b>
Upon Hire	5 days		3.33 hours
After 1 year	10 days	80 hours	6.67 hours
After 5 years	15 days	120 hours	10 hours
After 10 years	20 days	160 hours	13.33 hours
After 18 years	25 days	200 hours	16.67 hours

2. Employees shall earn vacation monthly as of the first day of each month according to their allocation level. Employees shall earn additional paid vacation

leave hours at a new level beginning on the first day of the month following the work anniversary date on which they qualify for an increase.

3. Maximum Balances – Each employee’s maximum balance of paid vacation leave will be the hourly amount for their length of service, as detailed in sub-section (1) above, pro-rated for part-time employees. Additional paid vacation leave hours will be allocated monthly up to an employee’s maximum allowed balance. Once the maximum balance has been reached or exceeded, additional paid vacation leave hours will not be allocated until their balance falls below the maximum.
4. New Hires – All newly hired employees shall be credited with 40 hours of vacation upon their first day of employment (prorated for part time). This time is available for use immediately upon approval of their supervisor. Newly hired employees will also begin monthly accrual the first of the month after their hire. New hires are those who have never worked for the Oshkosh Public Library or have been separated from the library for a period of three years. In hiring a new employee, the Library Director may consider prior relevant experience in determining the starting balance and allocation level for paid vacation leave.
5. Separation – Upon voluntary separation, an employee shall be paid for the unused portion of his/her allocated paid vacation leave balance.
6. Recognized Holiday – Allocated paid vacation leave shall be used only on days which an employee normally works. If a holiday for which paid leave time is authorized falls within the employee’s vacation period, the hours shall be paid as holiday leave and not vacation leave.
7. Approval – Use of vacation time must be approved in advance by the employee’s supervisor. Requested vacation leave may be denied by a supervisor based on the grounds that granting it would compromise efficient operation of the Library.
8. Accrual Exceptions - Except for Family Medical Leave, vacation is not earned while an employee has been on leave of absence without pay, layoff, or receiving worker’s compensation for an on-the-job injury exceeding thirty days.

[Section 221 Revised July 28 2022]

## **MARK-UP OF REVISIONS TO CURRENT POLICY**

### **221 VACATION**

~~All regular full-time employees shall be entitled to a vacation and shall earn annual vacations with pay as follows:~~

~~Employees with continuous years of service annually earn:~~

~~After 1 year ————— 10 days~~  
~~After 5 years — 15 days~~  
~~After 10 years — 20 days~~  
~~After 18 years — 25 days~~

- ~~1. Vacation Calendar Year — The Vacation Calendar Year shall be defined as February 1 through January 31.~~
- ~~2. New Hires — All newly hired regular full-time and regular part-time employees shall, as of the first day of the Vacation Calendar Year following the year of their employment, be entitled to vacation in proportion to their length of service. Prorated vacation allowable under this provision shall be calculated based on the employee's date of hire.~~
- ~~3. Earned/Used — Employees shall have earned said vacation as of the first day of the Vacation Calendar Year of each year and said vacation must be taken during the Vacation Calendar Year following the year in which it was earned.~~
- ~~4. Accumulation — No vacation shall be permitted to accumulate from one year to the next unless by direction of the employee's supervisor, the employee was requested to delay taking a vacation and was unable to reschedule it within the calendar year. In such instances, the supervisor shall inform the Library Director or Assistant Director in writing of the circumstances and request waiver of the policy.~~
- ~~5. FLSA exempt — The Library Director or his or her designee may consider an employee's prior relevant experience in determining their proper vacation schedule.~~
- ~~6. Separation — Upon separation, an employee shall be paid for the unused portion of his/her accrued vacation credits.~~
- ~~7. Recognized Holiday — Charges against vacation credits shall be made only to those days on which an employee normally works. If a recognized holiday falls within the vacation period, the holiday shall not be charged against vacation.~~
- ~~8. Approval — Use of vacation time must be approved in advance by the employee's supervisor. The vacation schedules shall give consideration to the efficient operation of the Department. With the exception of Family Medical Leave, if an employee has been on leave of absence without pay, layoff or receiving worker's compensation for an on-the-job injury exceeding thirty days during the period used to determine the employee's annual earned vacation, he/she shall receive a corresponding prorated vacation allocation.~~

**ATTACHMENT B.**  
**Oshkosh Public Library**  
**New Vacation Policy Implementation Plan**

Subject to approval of the new Vacation policy by the Library Board, with an assumption of an August 1, 2022 effective date:

1. Vacation balance report will be run on July 31, 2022 for each employee using the City's ExecuTime automated payroll system.
2. Six months of paid vacation leave hours earned from February 1, 2022 through July 31, 2022 will be added to each employee's vacation allocation balance on August 1, 2022.
3. Beginning August 1, 2022 and the on the first day of each subsequent month, additional hours will be allocated to the employee's paid vacation leave balance.
4. Any employee moving up a level on the vacation allocation schedule will earn hours at the higher level beginning on the first day of the month after their work anniversary. This will run retrospectively back to February 1, 2022.
5. The paid vacation leave maximum will not be enforced until January 1, 2024.
6. In advance of the enforcement of the paid vacation leave maximum, any employee who expects to exceed their maximum on January 1, 2024 may request to have vacation leave hours converted to sick leave hours up to the paid sick leave maximum of 1200 hours. Any paid vacation leave balance over the maximum left after hours have been converted to sick leave will be forfeited.