

**Metropolitan Domestic Water Improvement District  
Board of Directors Meeting**

**April 10, 2023**

**Approval of Updated Vacation Leave Accruals**

**Synopsis**

The Board of Directors is requested to approve the revised vacation leave accruals.

**Issues**

Vacation leave is an important element to the District’s compensation package when recruiting and retaining the expertise required to deliver safe, reliable water. A market equity analysis was performed to ensure the District’s vacation leave accruals were comparable to similar utilities in the Tucson Region. During this analysis, it was determined that both the City of Tucson and Pima County significantly increased employee vacation leave accruals. To ensure the District continues to recruit and retain the necessary talent, an adjustment to the vacation leave accruals is recommended.

Historically, the District has generally benchmarked the County’s vacation leave accruals. With the recent change to the County’s vacation accrual rate, District staff is earning either 3, 6, or 9 days fewer vacation days than County staff given the same years of service. While increasing the vacation leave accrual does not present a direct financial impact, as all full-time staff are already paid 2,080 hours annually, additional vacation accruals reduce the overall productivity due to additional time that staff are out of the office. As such, it is not recommended to match the County’s increase in leave accruals but to instead add three days of vacation leave earned annually in each of the years of service categories. Also, increasing the leave accrual rate by 3 days annually also ensures the District remains competitive with the vacation accrual rates for the Towns of Marana and Oro Valley.

For reference, currently District staff earn the following vacation leave based on years of service:

<b>Years of Service</b>	<b>Days of Vacation Earned Annually</b>
<b>0 to 5 years</b>	<b>12 days</b>
<b>5 to 10 years</b>	<b>15 days</b>
<b>10 to 20 years</b>	<b>18 days</b>
<b>Over 20 years</b>	<b>21 days</b>

Should the Board approve the recommended adjustment to vacation leave accrual rate, District staff would earn the following vacation leave based on years of service:

<b>Years of Service</b>	<b>Days of Vacation Earned Annually</b>
<b>0 to 5 years</b>	<b>15 days</b>
<b>5 to 10 years</b>	<b>18 days</b>
<b>10 to 20 years</b>	<b>21 days</b>
<b>Over 20 years</b>	<b>24 days</b>

**Recommendation**

It is recommended that the Board of Directors approve the revised vacation leave accruals to ensure successful recruiting and retention of the required subject matter expertise to deliver safe, reliable water to our customers.

**Suggested Motion**

I move to approve the revised vacation leave accruals.

Respectfully submitted,

Billie Sue Morelli  
Human Resources Manager  
Risk Management

I concur with the above-noted recommendation.  
Respectfully submitted,

Joseph Olsen, P.E.  
General Manager