

TO: Buncombe County Commissioners
FROM: Curt Euler, Director of Employee Benefits and Risk Management
DATE: 10/9/2018
RE: Annual Leave Sales

At the September 18, 2018 Board of Commissioners Meeting, Staff presented to the Board, a proposal to amend the Personnel Ordinance limiting the amount of annual leave that can be sold to forty (40) hours (i.e. one week) a year. Currently with Department Director approval, an employee can sell an unlimited amount of annual leave each year. This proposal was continued until the October 2, 2018 meeting.

At the October 2, 2018 meeting, County Commissioners requested more information regarding the amount of savings to the County by limiting annual leave sales. The Board wanted to know the savings if leave sales were eliminated, limited to forty (40) hours or limited to eighty (80) hours.

Staff estimates that if leave sales are eliminated the County could save approximately \$1.4 million dollars per year which is the average cost of actual annual leave sales over the last five (5) years. If the Commissioners limit annual leave sales to forty (40) hours a year, the County expects to save approximately \$370,000 per year. If the Commission limits the annual leave sales to eighty (80) hours a year, staff projects that there will not be any savings and that annual leave sales will be approximately \$1.4 million dollars per year.

Please note that the County is obligated to purchase annual leave when the employee stops working for County and that an employee's annual leave balance is a liability to the County. The Personnel Ordinance caps the amount of annual leave the County will buy back to twice the annual accrual rate of annual leave. Employees are allowed to maintain a balance of twice the amount of the annual accrual rate. If the employee's annual leave balance exceeds the cap on February 1 of each year, the excess annual leave is rolled into sick leave.