

# MEMORANDUM

March 30, 2022

TO: Mayor John P. Kahl and Members of City Council

FROM: Scott A. Brunton, City Attorney

SUBJECT: Ordinance Revising Personnel Policy Manual – Retirement Payout Provisions

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## DISCUSSION:

Annually, City Officials review the City's Personnel Policy Manual when adopting the Annual Salary Resolution and at that time, making any required updates, revisions, or clarifications to the Personnel Policy Manual. During this review process undertaken in conjunction with the preparation of the Annual Salary Resolution for the upcoming 2022-2023 fiscal year, additional clarification was sought with regard to the process for making payouts at retirement to employees who have unpaid leave and other similar payouts owing to them in accordance with City policies or contracts. This Ordinance provides clarification for the retirement payout process in order to ensure consistency in payouts to all retirees. This Ordinance does not create a new procedure for the payout process, but codifies and clarifies the procedure that has been used for many years by the City.

## RECOMMENDATION:

Approval of this Ordinance.

c: Teresa Durm

**ORDINANCE NO. 4640**

**AN ORDINANCE AMENDING THE RETIREMENT PROVISIONS  
OF THE CITY OF EAST PEORIA PERSONNEL POLICY MANUAL  
THAT ADDRESS PAYOUTS AT RETIREMENT**

**WHEREAS**, the City of East Peoria established its Personnel Policy Manual by Ordinance No. 2474 in November 1990, which has been subsequently amended and updated by various ordinances including a significant revision and re-issuance in July 2014 by Ordinance No. 4173; and

**WHEREAS**, the City Council finds that additional revisions and clarifications to the retirement leave provisions of the Personnel Policy Manual that deal with retirement payouts are necessary and are in the best interests of the City and its employees; and

**WHEREAS**, by making these revisions and clarifications to the Personnel Policy Manual as provided here, the City Council is not taking any action intended to create any contractual rights for any City employee or to change employee rights that are governed by a bargaining agreement for any employee group; and

**WHEREAS**, the City Council finds that the adoption of these revisions to the Personnel Policy Manual shall be made in conjunction with and in consideration of the City's Annual Salary Resolution, which is also being adopted at this same time;

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF EAST PEORIA, TAZEWELL COUNTY, ILLINOIS, THAT:**

**Section 1.** Section 2.13(b) (Employment Separations: Retirement) of the City's Personnel Policy Manual is hereby amended as follows (additions are indicated by underline; deletions by ~~strikeout~~):

**Section 2.13 – Employment Separations.**

**(b) Retirement.** Except to the extent authorized by law, the City has no mandatory age for retirement. The term "retirement" shall have the definition as set forth in Section 3.2 of this Manual.

In order to provide for a smooth transition, employees anticipating retirement, whether under the Illinois Municipal Retirement Fund or pension funds maintained for sworn personnel, should provide notice of their intentions at least six (6) months in advance of the anticipated date for retirement. Failure to provide such notice, except in situations involving disability or unusual circumstances, may affect the benefits provided for upon retirement under these policies.

At the City's discretion, any payouts at retirement made by the City for unused paid leave or other similar payouts due an employee at retirement shall be made in one payment at retirement or made in two or three equal, annual installment payments with the first payment being made at retirement (or within one month of retirement). Should the retiree become deceased during the installment payout period, the retiree's estate shall receive the remaining unpaid installment payments. No interest shall accrue on these payouts or installment payments made after retirement.

**Section 2.** Sections 3.3(c) and 3.3(d) (Sick Leave) of the City's Personnel Policy Manual are hereby amended as follows (additions are indicated by underline; deletions by ~~strikeout~~):

**Section 3.3 – Sick Leave.**

**(c) Sick Leave Benefits.** Each full-time employee (except management level employees) shall be eligible for paid sick leave of ten (10) duty days per year, earned at the rate of 6-2/3 hours per month. Those employees with less than one year of service will receive a pro-rated sick leave of 6-2/3 hours per month of service. No sick leave shall be earned during any month in which the employee is absent more than fifty percent (50%) of the workdays scheduled, excluding any vacation or personal days used; provided further that if any type of paid leave is used to retire early, no additional sick leave is earned during this period of use of paid leave to retire early.

Unused sick leave shall accumulate from calendar year to calendar year according to the following schedule:

| <u>YEARS OF SERVICE</u>        | <u>MAXIMUM ACCUMULATIONS</u> |
|--------------------------------|------------------------------|
| 1 year but less than 5 years   | 25 duty days                 |
| 5 years but less than 7 years  | 35 duty days                 |
| 7 years but less than 10 years | 40 duty days                 |
| 10 years or more               | 100 duty days                |

Benefits for Department Heads and other designated supervisory positions will be as specified by the City Council. Department Heads shall include only the following positions: Police Chief; Fire Chief; City Administrator; full-time Mayor, City Clerk; City Treasurer; Human Resources Director; Director of Public Works; Director of Planning and Community Development; and Director of Tourism, Special Events, and Facilities.

**(d) Unused Sick Leave – Payment at Retirement.** For any employee hired on or after May 1, 2008, upon retirement, the employee may, at his option, use his accumulated sick leave time up to a maximum

of four hundred eighty (480) hours (60 duty days) to retire early or work until retirement date and receive payment upon retirement for any unused accumulated sick leave up to a maximum of four hundred eighty (480) hours. Such payment for accumulated sick leave shall be paid out in accordance with Section 2.13(b) of this Manual. ~~At the City's discretion, such payment for accumulated sick leave may be made in one payment at retirement or over three annual payments with the first payment being made at retirement.~~ For an employee hired on or before April 30, 2008, and who had accumulated more than four hundred eighty (480) hours of unused sick leave as of April 30, 2008, the employee shall also receive payment upon retirement for such accumulated sick leave time in excess of four hundred eighty (480) hours at retirement not to exceed the total number of unused accumulated sick leave hours the employee had as of April 30, 2008, or a total of nine hundred sixty (960) hours, whichever is less.

Alternatively, the following employees – who hold non-union supervisory positions over union employees – shall receive payment upon retirement for unused accumulated sick leave hours in accordance with the collective bargaining agreement in effect upon the employee's retirement date for the employee union over which the employee supervises:

- Assistant Fire Chiefs, Deputy Fire Chiefs, and the Fire Chief (the Fire Chief shall be limited to a maximum of nine hundred sixty (960) hours under this provision);
- Police Chief, Deputy Police Chiefs, and Sergeants; and
- Public Works Department Head and Public Works Superintendents.

Additionally, for all other City Department Heads (as defined herein) not listed above, the Department Head shall also receive payment upon retirement for unused accumulated sick leave hours up to a maximum of nine hundred sixty (960) hours regardless of hire date.

An employee may be eligible to receive service credit toward retirement under IMRF for any unused sick leave for which the employee does not receive any compensation or payment from the City. The employee should contact IMRF to determine whether the employee may be eligible to receive service credit for unused sick leave for which the employee will not receive any compensation or payment from the City.

The term "retirement" as used in this section shall have the definition as set forth in Section 3.2 of this Manual. The term "retirement" as used in this section does not include an employee who receives a disability pension under IMRF or other approved pension plan applicable to a particular

employee's position with the City. Otherwise, except as expressly provided in this Subsection 3.3(d), any days accumulated in excess of 60 duty days are to be used for extended illness only and cannot be reimbursed. Where any employee fails to provide proper advance notice of his or her intent to retire in accordance with these policies, the employee's available benefit shall be reduced pro-rata to take into account the lack of notice. Upon an employee's voluntary or involuntary termination of employment with the City, other than retirement as set forth above in this paragraph, the employee shall not receive any additional compensation for unused days of sick leave.

**Section 3.** This Ordinance is hereby ordered to be published in pamphlet form by the City Clerk and said Clerk is ordered to keep at least three (3) copies hereof available for public inspection in the future and in accordance with the Illinois Municipal Code.

**Section 4.** This Ordinance is in addition to all other ordinances on the subject and shall be construed therewith except as to that part in direct conflict with any other ordinance, and in the event of such conflict, the provisions hereof shall govern.

**Section 5.** This Ordinance shall be in full force and effect from and after its passage, approval, and ten (10) day period of publication in the manner provided by law.

**Section 6.** The City Human Resources Director is directed to furnish a copy of these changes to the Personnel Policy Manual to all City employees when future updates are provided to City employees.

**PASSED BY THE COUNCIL OF THE CITY OF EAST PEORIA, TAZEWELL COUNTY, ILLINOIS, IN REGULAR AND PUBLIC SESSION THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2022.**

**APPROVED:**

\_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
City Clerk

**EXAMINED AND APPROVED:**

\_\_\_\_\_  
Corporation Counsel