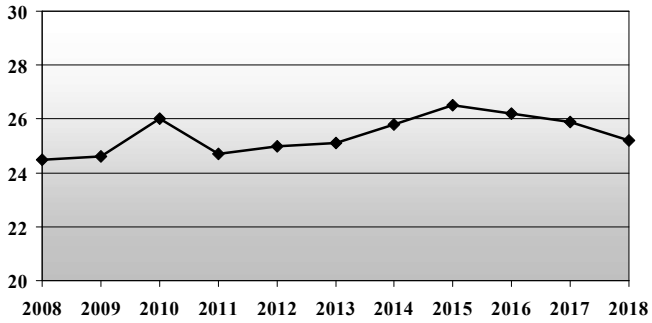
EMPLOYEE LEAVE INDICATOR

WARNING TREND: Increasing days of unused vacation leave per municipal employee.

Formula:

$$\frac{\text{Total Days of Unused Vacation Leave}}{\text{Number of General Government Employees}}$$



Accumulated Vacation Leave:
Localities usually allow their employees to accumulate some portion of unused vacation, which may be paid at termination or retirement. This expenditure is rarely funded while it is being accumulated although the costs of the benefit are covered through normal attrition. This is because of the fact that when an employee with many years of service is replaced, that employee is typically replaced with an employee with fewer or no years of service. The salary differential on a global basis is sufficient to pay for this benefit in any given fiscal year. While there is no fiscal impact that arises from this indicator, its inclusion is useful in depicting the overall vacation leave balances of the General Government workforce. Finally, it needs to be noted that vacation leave balances not utilized by the beginning of the new fiscal year are readjusted downward (that is, time is "lost").

Trends:
In terms of the overall trend, the accumulated vacation leave indicator has averaged 25.4 days during the eleven-year period. What can be seen throughout this time period is stability in this indicator as it has ranged from a low of 24.5 days in FY08 to the high point of 26.5 days in FY15.

In taking a historical look, the indicator increased sharply in FY08 due to an adjustment of annual leave accrual rates and increased "carry-over" hours (less time "lost") for employees with fifteen or more years of service. FY10 saw an unusual increase to 26.0 days of accumulated vacation leave per employee, mostly a result of the reduction in the hiring of new General Government employees in that fiscal year. To assist in balancing the FY11 budget to significantly reduced revenues, the County eliminated 101 vacant General Government positions. In FY11, the indicator dropped to 24.7, mostly due to the County's hiring freeze yielding well over 200 positions throughout much of the fiscal year. In other words, while the positions were being counted in the General Government complement, there were no vacation days associated with them as they were unfilled. The indicator rose slightly to 25.0 in FY12 and remained relatively flat at 25.1 in FY13. In FY14, this indicator increased slightly to 25.8. In FY15, this indicator reached the highest point in the time period represented, increasing to 26.5 before decreasing in each of the next three fiscal years to its current level of 25.2 In the entire eleven-year period, this indicator has fluctuated within a range of 2.0 days.

The overall slight upward movement since FY08 is also reflective of the County's workforce, as employees with more seniority earn more hours of vacation leave than less senior employees. Henrico County's vacation leave indicator will generally increase as the average length of employment of County employees' increases. With that said, if the declines of the past three years continue, this will be indicative of the workforce becoming younger and less tenured.

The most recent information suggests the County has a workforce whose average age is 45.0. The average County employee has been with the County for twelve years (Source: Human Resources Department). No warning trend is noted for this indicator.