



SunLine Transit Agency
October 22, 2025
11:35 a.m. – 11:55 a.m.

AGENDA

BOARD OPERATIONS COMMITTEE / COMMITTEE OF THE WHOLE

Wellness Room
32-505 Harry Oliver Trail
Thousand Palms, CA 92276

NOTICE TO THE PUBLIC

In compliance with the Brown Act, agenda materials distributed 72 hours or less prior to the meeting, which are public records relating to open-session agenda items, will be available for inspection by members of the public prior to or at the meeting at SunLine Transit Agency's Administration Building, 32505 Harry Oliver Trail, Thousand Palms, CA 92276 and on the Agency's website, www.sunline.org.

Upon request, SunLine will provide written agenda materials in appropriate alternative formats to individuals with disabilities. In addition, SunLine will arrange for disability-related modifications or accommodations, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please contact the Clerk of the Board at (760) 343-3456 or send a written request by emailing clerkoftheboard@sunline.org, including your name, mailing address, telephone number and brief description of the requested materials, preferred alternative format, and/or auxiliary aid or service at least three (3) days before the meeting.

Meeting Note: This Committee meeting may be attended by Members of the Board of Directors who do not serve on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. A vote of the Committee of the Whole does not constitute final Board action. All Committee actions must be ratified by the full Board of Directors. All items appearing on the agenda are subject to action by the Committee.

ITEM

RECOMMENDATION

1. CALL TO ORDER
2. FLAG SALUTE
3. ROLL CALL

ITEM

RECOMMENDATION

4. FINALIZATION OF AGENDA

5. PUBLIC COMMENTS

RECEIVE COMMENTS

NON AGENDA ITEMS

Members of the public may address the Committee regarding any item within the subject matter jurisdiction of the Committee; however, no action may be taken on off-agenda items unless authorized. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Comments may be limited to 3 minutes in length.

6. PRESENTATIONS

7. COMMITTEE MEMBER COMMENTS

RECEIVE COMMENTS

8. MODIFICATIONS TO THE EMPLOYEE HANDBOOK
(Staff: Carissa Sanchez, Human Resources Manager)

APPROVE
(PAGE 3-8)

9. ADJOURN

SunLine Transit Agency

DATE: October 22, 2025 **ACTION**

TO: Board Operations Committee/Committee of the Whole
Board of Directors

FROM: Carissa Sanchez, Human Resources Manager

RE: Modifications to the Employee Handbook

Recommendation

Recommend that the Board of Directors (Board) approve the proposed modifications to the Employee Handbook to revise Section 3: Work Time and Compensation (Vacation) and Section 4: Attendance and Leaves (Sick Leave) regarding vacation and sick leave accrual sell-back, ensuring the Agency remains in compliance with state and federal tax law requirements.

Background

Staff, in consultation with legal counsel, has revised Section 3: Work Time and Compensation (Vacation) and Section 4: Attendance and Leaves (Sick Leave) regarding vacation and sick leave accrual sell-back.

The proposed modifications are intended to align SunLine's Employee Handbook with state and federal tax law requirements, ensuring compliance while maintaining clarity for employees. Specifically, the changes ensure compliance with the Internal Revenue Service's "*constructive receipt*" rules regarding the cash out of accrued paid time off/vacation/sick pay.

Similar changes were made earlier this year for employees in the Amalgamated Transit Union (ATU) bargaining unit, as reflected in the current ATU Memorandum of Understanding (MOU). Staff worked collaboratively with the ATU representatives and their legal counsel during the MOU negotiations, and all parties agreed to the modifications.

Financial Impact

There is no financial impact.

Strategic Priority

Resource Acquisition, Allocation and Management – Our commitment to resource management prioritizes optimized resource management by effectively acquiring and allocating financial, human, and material resources to ensure operational excellence and long-term sustainability. We emphasize the importance of organizational accountability and responsibility in stewarding public funds, fostering transparency and trust in how resources are utilized to serve our community.

In Collaboration with:

Luis Garcia, Chief Financial Officer

Tamara Miles, Chief of Human Relations

Approved/Reviewed by:

Mona Babauta, CEO/General Manager

Catherine J. Groves, General Counsel

Luis Garcia, Chief Financial Officer

Attachments:

- [Item 8a](#) – Earned Time Off (ETO) and Sick Leave Sell Back Provisions - Redlined
- [Item 8b](#) – Earned Time Off (ETO) and Sick Leave Sell Back Provisions – Redlined Changes Accepted

SunLine Transit Agency – Employee Handbook April 2023
ETO and Sick Leave Sell Back Provisions

1. To be inserted on page -29, following "The maximum total of accrued ETO may not exceed 500 hours at any time. No further ETO will be credited until hours are used."

Pay in lieu of ETO is permitted by approval of the respective department chief and Human Resources Department, or designee. ~~Such pay in lieu of taking ETO may be sold back twice in a revolving 12-month period.~~ In order to qualify for a sell back, at least 40 consecutive hours of ETO must have been taken as paid time off, and an 80-hour balance must remain in the ETO/VTO. ~~The CEO/General Manager has the discretion to allow exceptions to this rule.~~

Effective in December 2025 and each December thereafter, employees who wish to have STA buy back ETO/VTO hours in the next calendar year, shall make an irrevocable election and submit it to STA, in writing no later than December 31, as to the number of hours they will accrue the next calendar year that they elect to sell back. Any sellback of ETO/VTO shall not cause the employee's total amount of accumulated ETO/VTO leave bank to fall below an eighty (80) hour minimum balance. STA shall make a form available to employees to make the irrevocable election no later than December 15 of each year.

Employees who do not submit an irrevocable election by December 31 will be deemed as foregoing participation in the optional annual ETO/VTO sell back program for that following calendar year.

The payments shall be made via a separate check during the first or second payroll in June of the following year and shall be paid at the employee's base rate of pay at the time of sellback.

In the event an employee has less hours in their ETO/VTO bank that are eligible for cash out at the time the cash out is to be paid than the employee had previously elected to cash out, then the employee shall only be paid up to the eligible amount remaining in the employee's ETO/VTO bank at the time of the employee's actual cash out that would still maintain the eighty (80) hour minimum balance.

2. To be inserted on page 32, following “Sick hours will be recorded on the employee timesheet under sick leave for the pay period in which the sick time was taken.”

SICK LEAVE SELLBACK

~~Sick leave sellback provisions only apply to full-time employees. In order to qualify for a sellback, a forty (40) hour balance of sick leave must remain in a full-time employee's leave bank. Each full-time employee will be given the option of carrying over sick time hours from year to year, or receiving payment for the unused hours. Part-time and temporary employees are not eligible for sick pay sellback. Employees will be notified of available hours to sell back in late October/early November of each year. The employee then notifies STA on the required form within the required time period of the requested amount of sick time they wish to sell. The payment for those sick hours sold will be included in the first paycheck issued in December. Any request for sellback of sick leave that would result in a balance lower than a required minimum balance of 40 hours will not be approved. (Required minimum balance is subject to change.)~~

Beginning in December 2025 and each December thereafter, full-time employees who wish to have STA buy back sick leave hours in the next calendar year, shall make a written, irrevocable election and submit it to STA, in writing no later than December 31, as to the number of sick hours they will accrue the next calendar year that they elect for buy back. Any cash-out of sick leave shall not cause the employee's total amount of accumulated sick leave bank to fall below a forty (40) hour balance. STA shall make a form available to employees to make the irrevocable election no later than December 15 of each year.

Employees who do not submit an irrevocable election form by December 31 will be deemed as foregoing participation in the sick leave cash-out program for that following calendar year.

The sick leave hours cashed out will be paid to the employee in April of the year following the election, on a separate check, at the employee's base rate of pay at the time of the cash out.

In the event an employee has less hours in their sick leave bank eligible for cash out at the time the cash-out is to be paid than they had previously selected to cash out, then the employee shall only be paid up to the eligible amount remaining in their sick leave bank at the time of their actual cash out that would still maintain the forty (40) hour balance.

SunLine Transit Agency – Employee Handbook April 2023
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