



610 – PAY COMPUTATION AND OVERTIME

I. PURPOSE

To establish a policy for compensating employees for overtime hours worked which maintains compliance with the provisions of the Fair Labor Standards Act (FLSA). In case of conflict between City policy and federal or state law, the provisions of law will supersede City policy.

II. DEFINITIONS

The following are definitions of terms used in this policy:

- A. Compensatory time - time which is earned by non-exempt employees at one and one half for each hour of work for which overtime compensation would otherwise be required by the Fair Labor Standards Act (FLSA), including any paid leave and compensatory time charged in the same week.
- B. Exempt employees - employees who are excluded from the overtime provisions of the Fair Labor Standards Act (FLSA).
- C. Non-exempt employees - employees who are eligible for overtime compensation according to the provisions of the FLSA.
- D. Overtime hours - the hours worked over the established work period equal to the overtime standard set by the FLSA for non-exempt employees, including any paid leave and compensatory time charged in the same week.
- E. Overtime compensation - the payment received at a rate of no less than one and one half of an employee's regular rate of pay for all hours worked in excess of the established work period, including any paid leave and compensatory time charged in the same week.
- F. Time Worked - includes all approved work time that the employee is required to be on duty or required to be on the City's premises or at a prescribed work place for the City, and all time during which the employee is suffered or permitted to work for the City.
- G. Workweek - the seven (7) day payroll accounting period beginning with the employee's scheduled reporting time on Mondays.
- H. Work period is defined as a regular work cycle that may range from seven (7) to twenty-eight (28) consecutive days determined by operations and in compliance with FLSA provisions.

III. ELIGIBILITY

The Director of Human Resources will designate which positions will be classified as exempt or non-exempt based on their assigned position classification, duties and salary as

defined under the FLSA. The status of unclassified positions will be determined when the positions are funded. The City's Classification and Pay Plan listing by job title indicates the overtime eligibility status of each City job.

The City follows the Federal Fair Labor Standards Act (FLSA) for determining which jobs must be compensated for overtime. Jobs that meet the FLSA's exempt standards are normally considered ineligible for paid overtime. Jobs that are ineligible for paid overtime are considered to be "exempt" and have an overtime code of "E" in the Classification and Pay Plan. Exempt jobs are not compensated for overtime either in the form of pay or compensatory time off. Jobs that do not meet FLSA requirements for exemption are considered to be "non-exempt" and must be compensated for overtime worked. Non-exempt positions have an overtime code of "N" in the Classification and Pay Plan.

IV. POLICY

- A. Overtime assignments are permitted when required by operational necessity to ensure that functions of the department are maintained. Department directors must ensure that adequate funds are available for the payment of overtime prior to authorization.

Eligible employees have the option of choosing either overtime compensation or compensatory time through submission of a work slip in the City's time and attendance system. However, the authorization and control of all overtime worked is the responsibility of the department director.

Based on operational factors, department directors have the discretion to grant overtime compensation or compensatory time to eligible employees for all overtime hours worked, however the form of overtime compensation selected must be consistently applied to all eligible employees.

- B. Non-exempt employees shall be eligible for additional compensation as follows:

Employees shall receive either (a) overtime compensation at one and one-half times their regular rate of pay, or (b) compensatory time at one and one-half times the hours worked in excess of the established work period (from seven (7) to twenty-eight (28) consecutive days) of regularly scheduled hours equal to the overtime standard set by the Fair Labor Standards Act.

1. Non-exempt police and fire personnel who are required to make job-related court appearances while off duty will receive overtime compensation or compensatory time for all court time, calculated at one and one-half the actual time spent in court.
2. Each fiscal year the City Manager will establish the maximum accumulation of compensatory time hours (not to exceed the limit established under the FLSA); however, department directors have the discretion to establish lower limits than those authorized by the City Manager, or implement a departmental policy for no compensatory time accruals, based on department operations.

An employee may request the use of accumulated compensatory time off at any time. The City is required to honor the request and allow the employee to take time off within a reasonable time of the request, unless operations would be unduly disrupted by the employee's absence. Under federal regulations, a mere inconvenience to the operation or having to pay overtime to a replacement employee in order to allow an employee to take compensatory time are not sufficient reasons for denying the use of compensatory time.

All accrued compensatory time will be paid out to employees when:

- a. the employee is promoted or transferred to an exempt position classification. Accrued compensatory time will be paid at the employee's regular rate of pay at the time of the position change.
- b. the employee terminates employment for any reason. Accrued compensatory time will be paid to terminating employees at the regular rate of pay at the time of termination, or the average regular pay rate of the employee during the last three years of employment, whichever is greater.

C. Provisions for Overtime Exempt Employees

1. Discretionary Leave - Employees in exempt positions are not eligible for overtime pay or compensatory time off. However, while not a requirement, department directors or their designated representatives may grant discretionary leave time off to exempt employees without charging such time to the employees' accrued paid personal leave (PPL) or paid medical leave (PML). Discretionary leave time is not charged and is not accrued. It is normally granted for periods of a half day (4 hours) or less. Such time off does not have to be recorded but may be noted for administrative purposes.
2. Schedule Adjustment - Department management may also, at their discretion, adjust the work schedules of exempt employees from time to time when the employee has or will work hours outside of their regular schedule.
3. Safe Harbor Provision - It is the City's policy to comply with the salary basis requirements of the Fair Labor Standards Act (FLSA) for overtime exempt employees. Therefore, the pay of exempt employees may only be docked in certain circumstances permitted by the Act. These include deductions permitted in accordance with City policies for various types of unpaid leave, for full, unpaid suspension days resulting from violations of the Standards of Conduct for serious workplace misconduct, for the initial or terminating week of employment, and for any other reason as permitted by the FLSA. In case of conflict between City policy and FLSA provisions, the provisions of FLSA will supersede City policy unless City policies are more generous than FLSA. Contact the Department of Human Resources regarding questions or situations not covered by this policy. If an employee believes that an improper deduction has been made from their pay, the employee should

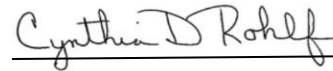
discuss the matter with their supervisor or department payroll clerk, and if needed, proceed through the departmental chain of command. If a resolution is not made the employee should contact the Department of Human Resources for assistance. If a deduction is made that is later found to be improper, the employee will be reimbursed.

V. RECORDKEEPING

Department Directors are responsible for the maintenance of accurate records of hours worked by employees that conform to the requirements of the FLSA.

Supersedes/Amends: 610, 2/1/2017

Approved:



City Manager