

Item 5 – Amendment to District Personnel Policy (Non-Exempt Employees)

Starting December 1, 2016, employers must comply with the U.S. Department of Labor's (DOL) new salary minimum for their employees to be properly classified as exempt from overtime pay under the Fair Labor Standards Act ("FLSA"). The new minimum was implemented as part of the DOL's Final Rule, which was announced on May 18, 2016. This change will apply to all employers, including governments and non-profits.

Due to the impending implementation, I am asking Board to consider and adopt wording in the District Personnel Policy allowing the General Manager the discretion to use overtime pay or compensatory time in order to meet our obligation.

Attached is the amended wording and location in which it would appear in the District Personnel Policy.

It is the recommendation of the General Manager that the District Personnel Policy be amended to allow the General Manager the discretion to use overtime pay or compensatory time as it relates to non-exempt employee pay.

Alan Day

From: Monique Norman <norman.law@earthlink.net>
Sent: Friday, November 04, 2016 3:09 PM
To: Alan Day
Subject: RE: agenda

Follow Up Flag: Flag for follow up
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Discussion and possible action regarding amendment of District's Personnel Policy regarding overtime hours of work by non-exempt employees.

OVERTIME PAY for non-exempt employees.

For overtime pay purposes, a work period will be seven (7) days in length.

Employees are required to work overtime hours when necessary at the request of the General Manager. Employees will work overtime hours only with the ADVANCE approval of the General Manager. Non-exempt employees must either be paid overtime or receive compensatory time off for time worked in excess of the normal forty (40) hour week, defined as hours actually worked. It shall be the *General Manager's discretion as to whether employees receive overtime pay or compensatory time.* Overtime pay and compensatory time are calculated at one and one-half (1 ½) times the regular hourly rate. In order to be paid, overtime hours must be fully documented and authorized by General Manager. Scheduled holidays, authorized bereavement leave, and jury duty will be considered hours worked for purposes of calculating overtime. Except where otherwise stated within this policy vacation leave, unscheduled absences or time off for sickness, medical leave of absence, compensatory time off, injury leave, administrative leave, emergencies or other personal reasons will not be considered time worked for overtime purposes. Only the number of hours worked in excess of 40 in the week will be paid one-half (1 ½) times the regular hourly rate. Non-exempt employees are not to remain on work premises without authorization unless they are on duty or scheduled to work.

Compensatory time off may be granted to non-exempt employees worked over forty (40) hours in a week. Compensatory time is calculated as overtime but is "banked" to take as leave at a later date. In addition, a non-exempt employee cannot carry more than eighty (80) hours of compensatory time off on the day before the fiscal year ends unless otherwise approved by the General Manager. It is the General Manager's responsibility to effectively manage compensatory time off and overtime in a manner consistent with this policy throughout the year while insuring District operations are maintained. If an employee exceeds this amount, he/she, in conjunction with the General Manager, must develop a reduction plan to reduce compensatory time off to below eighty (80) hours.

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out a withholding form along with other pertinent personnel forms on their first day of employment.

All Employees:

Pay periods for all employees are defined as the fourteen (14) day period, including and immediately preceding every other Friday, beginning November 15, 2012. Paychecks will be prepared and distributed on the last day of each pay period for the work performed during that pay period. Should a payday fall on a holiday, paychecks will be prepared and distributed on the work day immediately preceding the holiday. Paychecks will include compensation for all time worked during the pay period less withholdings and other authorized deductions.

TIME SHEETS

It is the responsibility of each employee to fill out his or her Time Sheet correctly and accurately. The Time Sheet must be turned into the General Manager bi-monthly. For Time Sheet purposes, the pay period begins at 12:01 a.m. the 3rd day prior to the end of each month and ends at 12:00 midnight on the 12th day of each month; and, begins at 12:01 a.m. on the 13th day of each month and end at 12:00 midnight on day immediately prior to the last three (3) day of that month. The Time Sheet must be submitted to the General Manager at the end of the workday on the 13th of each month and at the end of the workday day immediately prior to the last three (3) days of the month.

If an employee will be on vacation, when Time Sheets are due, the time sheet must be handed in prior to leaving for vacation

OVERTIME POLICY

Due to the nature of this business, it is sometimes necessary to require employees to work extra hours. Cooperation of all personnel in this regard is expected.

~~If your position is classified as non-exempt you will be paid time and one-half your regular rate for all hours worked each week over forty (40). Overtime work schedules must have prior approval of the General Manager. It is the responsibility of the employee to make certain that overtime has been approved in writing, prior to performing overtime work. Time off for personal reasons, illness, holidays, vacations, etc. will not be considered as hours worked for purposes of computing overtime.~~

~~Your pay periods are irrelevant to the overtime calculation. Overtime is calculated based on the recurring, seven-day workweek. If a workweek overlaps two pay periods, overtime due for that workweek will be credited as of the second pay period (when the total hours worked for the workweek are known). For example, if the workweek ends on the 17th, the amount of overtime will not be paid for that workweek until the following pay period.~~

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All executive, administrative, and professional employees who are "exempt employees" are exempt from the minimum wage and overtime provisions of the FAIR LABOR STANDARDS ACT. The classification of your position as exempt or non-exempt will be reflected in your personnel file.

EXPENSES

Employees will be reimbursed for all reasonable and necessary business and travel expenses.

If an employee is required to use his or her personal automobile on District assignment, they will be reimbursed at the current mileage rate authorized under the INTERNAL REVENUE CODE. Such reimbursements take into consideration gas, oil, insurance and normal wear and tear on the automobile.

All requests for reimbursement of expenses should be accurately recorded on the District's Expense Report form. Receipts for commercial plane travel, automobile rental, parking, and room rental must be included with the expense report to maintain compliance with requirements of the INTERNAL REVENUE SERVICE. Reimbursement for all expenses must be approved by the General Manager, and are subject to scrutiny.

VEHICLE REIMBURSEMENT

In an effort to cover work-related travel costs, the Board of Directors may authorize a "Vehicle Reimbursement" in lieu of use of a District-furnished vehicle. The Board shall set the monthly allowance. All employees provided a vehicle reimbursement are required to submit to the