

# Payroll Policy

---

- 1.0 POLICY STATEMENT:** This policy establishes the procedures for employee payroll.
- 2.0 PROCEDURES:** All employees of the City are paid on a bi-weekly basis. If the scheduled payday falls on a city observed holiday; pay will usually be distributed on the day preceding the holiday. All required deductions, such as for federal, state, and local taxes, and all authorized voluntary deductions, such as for health insurance contributions, will be automatically withheld from the employee's paycheck. All employees shall sign their timesheets. Timesheets may not be changed or altered without notifying the employee.
- 2.1 *Overtime* – All overtime shall be pre-approved or scheduled by a supervisor or as deemed appropriate by the department head. Reasonable notice when the need for overtime work arises will be provided unless uncontrollable circumstances, i.e., weather, emergencies, etc. arise. Advance notice may not always be possible. Vacation, sick leave and other leave are not considered as time worked when computing overtime.
- 2.2 Non-exempt employees will receive overtime compensation as follows:
- 2.2.1 In accordance with FLSA and applicable laws, Police personnel regular salary and overtime shall be based on a 28-day cycle or 171 hours and Fire personnel regular salary and overtime shall be based on a 28-day cycle or 212 hours.
- 2.2.2 Employees will receive overtime compensation when required to work more than forty (40) hours in a work week. Overtime compensation will not be paid until the employee has worked forty (40) hours during the work week. Vacation, sick, military, civil, unpaid or paid leave are not treated as hours worked. Break and lunch periods are not treated as hours worked nor should they be worked through to reach the forty (40) hour threshold for overtime compensation.
- a) Only in the event an employee is called back in to work outside the regular work schedule that contains a city observed holiday, will the holiday time will be treated as hours worked and will count toward meeting the forty (40) hour threshold for receiving overtime compensation.
- b) The holiday time will count toward the forty (40) hour worked threshold only in the event that a holiday occurs in a workweek that the employee is called back in to work. Holiday time will not count toward the forty (40) hour worked threshold when working beyond the regular work day schedule.

- c) Eligible city observed holidays include: New Year's Day, Martin Luther King, Jr., Memorial Day, Independence Day, Labor Day, Thanksgiving and Day After Thanksgiving, and Christmas.
  - d) The floating and birthday holidays shall not apply toward meeting the forty (40) hours worked threshold for overtime compensation in any circumstances.
- 2.2.3 Overtime compensation will be paid at a rate equal to 1 1/2 times the employee's effective hourly rate of pay as calculated from their salary in accordance with FLSA and applicable laws and regulations.
- 2.3 *Non-Exempt Employees* - Nonexempt employees will be paid only for actual hours worked unless they receive paid leave benefits. No overtime shall be accrued that is not scheduled or approved by the supervisor and department head.
- 2.4 *Exempt Employees* - Exempt employees are paid on a salary basis and, in general, must be paid their full salary for any week in which they perform work. Their pay may be reduced only in the following circumstances:
- 2.4.1 Employees who take leave under the Family and Medical Leave Act will not be paid for that time unless they have accrued benefits under the City's paid time off, vacation, sickness, comp time or disability policy.
  - 2.4.2 Employees who are absent from work will not be paid for that day. However, the City has bonafide benefit plans i.e. vacation, sick and compensatory programs that shall be used in substituting time to maintain the salary basis for exempt employees. The City offers comp time to exempt employees. Comp time should be used to substitute pay for those days used for personal reasons.
  - 2.4.3 If an employee violates a safety rule of major significance, his or her pay may be reduced in an amount to be determined by the City as a penalty for that violation.
  - 2.4.4 Employees may be suspended without pay for other types of workplace misconduct, but only in full-day increments. Their pay will be reduced in an amount that is proportionate to the number of days suspended.
  - 2.4.5 Employees who work less than 40 hours during their first or last week of employment will be paid a proportionate part of their full salary for the time actually worked.
- 2.5 *Improper Deductions from Pay* - The City will reimburse any exempt employee whose pay is reduced in violation of this policy. If you feel your pay has been improperly reduced, please notify your supervisor, department head or contact the Department of Human Resources.

- 2.6 *Compensatory Time* - As a result of amendments to the Fair Labor Standards Act, the City allows compensatory time off in lieu of paying overtime. This compensatory time off is made available to all employees via Form HR-163 (Memorandum of Understanding). The approved comp time is submitted by time sheet to payroll, which will be accumulated and preserved in the employee comp time account for future use. Comp time may be provided in lieu of paying overtime as determined by the supervisor or department director.
- 2.6.1 Non-exempt employees may accrue up to 100 hours for scheduled and approved overtime worked at one and one half times the employee's effective regular hourly rate. All hours accrued above the 100 hours are to be paid to the employee at one and one half times the employee's effective regular hourly rate. The accrual of or use of undocumented, unassigned, or unscheduled time is prohibited and subject to adjustment and disciplinary action.
- 2.6.2 Exempt employees may accrue up to 100 hours for overtime at the employee's effective regular hourly rate. The maximum accumulation shall be 100 hours. Time accumulated in excess of the maximum will be forfeited. The accrual of or use of undocumented time is unauthorized.
- 2.6.3 Compensatory time earned should be documented on time sheet with a notation of the reason why it was accrued. Compensatory time leave requests should be requested in writing as with all other leave requests and the leave should be approved by the appropriate supervisor or manager.
- 2.6.4 It is expected that exempt employees perform work for a minimum of 40 hours each week. Compensatory time will only be awarded to exempt employees during weeks that the exempt employee works more than 40 hours. For those occasions when an exempt employee is on vacation, sick leave, personal leave, or on city business (meetings and/or conferences), the time sheet should reflect the time the exempt employee was off and how the time was charged.
- 2.7 *Senior Management* as defined below are also exempt personnel and may accrue compensatory time on an hour for hour basis not to exceed 100 hours when their attendance and/or participation at official meetings is required or expected. For the Senior Management group, the accrual of all other compensatory time must be pre-approved by the City Manager. The accrual of or use of undocumented time is unauthorized. The accrual of compensatory time for travel time to meetings and/or conferences is not authorized for Senior Management.

2.8 Senior Management as defined may be amended at any time as deemed necessary by the City Manager.

Assistant City Manager	Emergency Management Director
Associate Legal Counsel	Finance Director
Budget Manager	Fire Chief
Business Management Analyst	Human Resources Director
City Manager	Motor Transport Director
Civic Center Director	Parks & Recreation Director
CD Coordinator	Planning Director
Community Relations Director	Police Chief
Information Technology Director	Public Works Director
Director of Golf	Senior Services Director
Director of Purchasing	Transit Director
Director of Risk Management	Water & Sewer Director

Any exceptions to the comp time policy must be recommended in writing by the Department Head, reviewed by the Human Resources Director and approved by the City Manager. The approved exceptions are to become part of the employee personnel record.

**3.0 RESPONSIBILITY:** The Human Resources Director is responsible for the administration and communication of this policy. Department Heads are responsible for complying with the provisions of this policy.

APPROVED:

---

M. Denis Peterson  
City Manager

Original:  
Revisions: 12/27/2006, 07/01/2011