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MEMORANDUM

July 17, 2008

TO: Mayor and Common Council

FROM: Legal Department

SUBJECT: Resolution 2404 (Overtime amendments to Personnel Manual)

Resolution 2404 amends Rule 17, Section 1 of the Town Personnel Rules and Procedures Manual ("Personnel Manual") to allow greater flexibility for the paid or unpaid compensation of overtime.

Current Rule 17, Section 1 reflects the Town's current policy to pay for overtime at a rate of 'time and a half.' Because of budgetary constraints, this policy should be amended. Resolution 2404 amends the rule and requires that annually, the Town Manager or designee establish a policy for the compensation of overtime. This policy would set when paid 'time and a half' would be used and when compensatory time would be used. The policy would also establish the maximum amount of compensatory time that could be accrued.

JUL 17 2008 G.14

RESOLUTION NO. 2404

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, AMENDING RULE 17, SECTION 1 OF THE TOWN OF PAYSON PERSONNEL RULES AND PROCEDURE MANUAL (OVERTIME AND COMPENSATORY TIME).

WHEREAS, the Town of Payson has adopted a Personnel Rules and Procedures Manual for its employees ("Personnel Manual"); and

WHEREAS, pursuant to Ordinance 447, the Personnel Manual may be amended from time to time by Resolution; and

WHEREAS, the Town of Payson desires to amend the Personnel Manual provisions addressing overtime and compensatory time,

NOW, THEREFORE, THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DO HEREBY RESOLVE AS FOLLOWS:

Section 1. That Rule 17, Section 1 of the Personnel Rules and Procedures Manual of the Town of Payson is hereby amended, and as amended shall read as follows:

SECTION 1 - COMPENSATORY TIME/OVERTIME

~~Compensation to employees working overtime shall be primarily in the form of paid overtime, or as otherwise required pursuant to Section 7 of the Fair Labor Standards Act and/or Title 29 Code of Federal Regulations Sections 553.20, 553.21, et seq. Compensatory Time for employees will accumulate at the rate of 1 1/2 times the hours worked in excess of their defined work week (Non-worked hours will not be used for computing paid overtime or compensatory time off).~~

~~When appropriate, compensatory time off may be provided. The maximum compensatory time that can be accrued will be 40 hours. Exempt employees shall not accrue overtime or compensatory time off.~~

~~Compensatory time will be earned only in 1/2 hour and 1 hour increments. Overtime will be paid when the maximum compensatory hours are reached.~~

~~Compensation to employees working overtime shall be in accordance with the Fair Labor Standards Act. Non-worked hours shall not be used for computing overtime.~~

~~The Town Manager or designee shall annually establish a policy delineating when employees will be paid time and a half for overtime, when employees will receive compensatory time for overtime, and how many hours of compensatory time may be accumulated.~~

AUG 17 2008 Cr. 14

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, this ____ day of _____, 2008, by the following vote:

AYES _____ NOES _____ ABSTENTIONS _____ ABSENT _____

Kenny J. Evans, Mayor

ATTEST:

APPROVED AS TO FORM:

Silvia Smith, Town Clerk

Samuel I. Streichman, Town Attorney

COMPTIME POLICY 2008/2009

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Summary

Resolution 2404, July 2008 states that the "Town Manager or designee shall annually establish a policy delineating when employees will be paid time and a half overtime, when employees will receive compensatory time for overtime, and how many hours of compensatory time may be accumulated". This resolution was adopted due to budgetary concerns in the 2008/2009 budget.

Paid Overtime Availability

1. Departments that have an expense line for overtime approved in their budget may use paid overtime as needed, per Department Head approval.
2. Overtime will be paid at time and a half as required by the Fair Labor Standards Act.
3. At the employee's discretion, or for departments that run out of their overtime expense line, employees can accrue compensatory time.
4. Non-worked hours will not be used for computing overtime.

Compensatory Time

1. Departments that do not have an approved overtime expense line in their budget will allow employees to accumulate compensatory time.
2. At the employee's discretion, or for departments that run out of their overtime expense line, employees can accrue compensatory time.
3. Compensatory time will accrue at time and a half times the hours worked in excess of the employee's defined work week.
4. Non-worked hours will not be used for computing compensatory time.
5. The maximum compensatory time that can be accrued will be 100 hours; 360 hours for certified public safety employees.

Addendum to: JUL 17 2008 G-14



Exempt Employees

1. Exempt employees shall not accrue overtime or compensatory time.

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Employee Notification

1. Department Heads will notify all employees of the department whether the department budget allows for overtime, compensatory time or a combination of both.
2. In a department using both, the employee will notify the department head if they want overtime or compensatory time before the overtime is worked.
3. If the overtime funds have been expended, the department head will advise the employee that only compensatory time is available.
4. Employees may refuse to work overtime.
5. At no time will a non-exempt employee work overtime without being paid overtime or accruing compensatory time.

Effective Date

This policy is in effect from July 17, 2008 to June 20, 2009.