

### 5.3 Overtime, Compensatory Time and Management Leave

Personnel Procedures Approved: 1-16-2015

1. PURPOSE: To establish policies and procedures for the accrual and compensation of overtime and for the accrual of compensatory time off in lieu of payment for Fair Labor Standards Act (FLSA) Non-exempt employees, and for the provision of "Management Leave" for Non-Represented FLSA Exempt employees.
2. ORGANIZATIONS AFFECTED: All departments/divisions.
3. REFERENCES: Washington State Wage Act (WSWA) RCW, 49.46, Federal Fair Labor Standards Act (FLSA) as amended.
4. POLICY: (See Section B - Management Leave)
5. PROCEDURES:
  - A. Overtime and Compensatory Time - Non-Exempt Employees.
    1. General Provisions.
      - a. Non-Exempt AFSCME represented employees earn overtime for each hour worked beyond the normal work week of 40 hours and as provided by contract.
      - b. Non-Exempt Police and Fire represented employees earn overtime for each hour worked beyond the FLSA work period and as provided by contract.
      - c. Non-Exempt, non-represented employees earn overtime for each hour over 40 per week.
    2. Compensation for Overtime. Overtime pay will be figured at the rate of one and one-half times the employee's regular rate of pay.
    3. Authorization for Overtime. Overtime shall be authorized only with the prior approval of the Department Director or designee.
    4. Compensatory Time Accrual. Compensatory time may be requested in lieu of overtime payment at the rate of one and one-half hours for each hour of overtime worked over 40 hours per week, up to a maximum accrual of 80 hours, or as provided by the applicable collective bargaining agreement. Accrued compensatory time in excess of 80 hours will be paid to the employee in the pay period in

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which it is accrued. Employees must exhaust accrued compensatory time prior to utilizing accrued vacation leave.

- a. An employee who receives a regular appointment to a FLSA Exempt position from a FLSA Non-Exempt position shall have the choice to be paid their accrued compensatory time (at their regular hourly rate of pay in the Non-Exempt position) on the first pay period after the appointment, or to utilize the compensatory time within six (6) months of the appointment. Any unused accrued compensatory time at the end of the six months period shall be paid to the employee at their regular rate of pay in the FLSA Non-Exempt position.

5. Separation and Overtime Pay. Employees separating from employment with the City will be paid for any uncompensated overtime or accrued compensatory time with the last pay check.

#### B. Management Leave - Non-Represented FLSA Exempt Employees.

1. POLICY. Non-Represented FLSA Exempt employees often put in hours compensatory time off, to meet the demands of their position. While some extra work time is an expected component of these positions, the City wishes to provide a benefit in recognition of this service.

The City Manager is authorized to establish criteria for Non-represented FLSA exempt positions to be eligible for up to eighty (80) hours of Management Leave annually. Accrual of Management Leave shall be in addition to earned vacation benefits and is not intended to be balanced hour for hour with extra time worked.

The City Manager may approve an annual “buy-back” of accrued vacation leave of up to eighty (80) hours for eligible FLSA exempt employees. Employees shall not be entitled to Management Leave or payment in lieu thereof upon separation from service.

2. PROCEDURES. Management leave, which is paid leave, is provided in accordance with the following provisions:
  - a. Management Leave Accrual. Management Leave is available to employees working full-time in eligible non-represented FLSA exempt positions identified pursuant to the provisions of Section 5.B.2.e. Management leave shall accrue annually at the rate of eighty (80) hours (6.67 hours/month) effective January 1st of each calendar year and shall be prorated for eligible new employees based upon their month of employment or FLSA status change, with accruals beginning the first day of the month following their date of hire.

Accrued Management Leave equal to or less than one year's accrual will carry forward to the next calendar year, except that at no time shall the accrual exceed a maximum of one year's accrual (80 hours). Accruals will occur only when the employee's Management Leave balance is less than 80 hours. In other words, accruals will cease when an employee has "banked" a total of 80 hours Management Leave.

- b. Scheduling Management Leave. Management leave is granted in recognition of extraordinary time worked, and is intended to provide time off for recuperation. It must be taken in increments of no less than four hours at a time. Eligible employees must notify supervisors in advance of the time management leave is to be used and are expected to schedule such absence in a manner which will cause the least impact upon work within their department. Leave shall not be unreasonably denied.
- c. Buy-Back of Accrued Vacation Leave. In December of each year, the City Manager may approve a "buy-back" of accrued vacation leave of up to eighty (80) hours for eligible FLSA exempt employees in cases where Management Leave or Vacation leave was scheduled and could not be taken due to extraordinary circumstances (For example: the leave was denied or an unforeseen shortage of staff necessitated the employee stay to complete a time-sensitive project). Buy-back of vacation leave will not be granted if the requested amount for "buy back" results in the employee's accrued vacation leave bank totaling less than ninety-six (96) hours of leave.
  - i. Procedure for Requesting "buy-back" of Vacation Leave. Pursuant to this section, an employee must submit any request for "buy-back" of accrued vacation leave in writing to their immediate supervisor by December 1. The request must be specific enough to explain the extraordinary circumstances that warrant the request. If the direct supervisor is not the department head, then the Department Director must approve the request to move forward to the City Manager. All requests must be submitted to the City Manager by December 10, and the City Manager's decision on the request is final.

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- d. It is recognized that non-represented FLSA exempt positions work in excess of 40 hours/week from time to time and that some are not eligible for 80 hours of Management Leave. Such non-represented FLSA exempt positions will be eligible for 40 hours of Professional Leave each year and subject to the following:
  - i. Administration shall be the same as noted above for Management Leave, except that Professional Leave may be taken in increments of no less than two hours at a time.
  - ii. Accrual shall be at the rate of 3.33 hours/month to a maximum accrual of 40 hours.
  - iii. Hours equal to or less than 40 hours can be carried forward to a new year but accruals will occur only when leave balance falls below 40 hours.
  - iv. Eligible employees must notify supervisors in advance of the time professional leave is to be used and are expected to schedule such absence in a manner which will cause the least impact upon work within their department. Leave shall not be unreasonably denied.
  - v. In December of each year, the City Manager may approve a “buy-back” of accrued vacation leave of up to forty (40) hours for eligible FLSA exempt employees in cases where Professional Leave or Vacation leave was scheduled and could not be taken due to extraordinary circumstances. Buy-back of vacation leave will not be granted if 1) the employee has ninety-six (96) hours or less of accrued vacation leave, or 2) if the requested amount for “buy back” results in the employee’s accrued vacation leave bank totaling less than ninety-six (96) hours of leave.
  - vi. In no event will employees covered by this section be entitled to Professional Leave or payment in lieu thereof upon separation from service.
- e. Eligible Employees. The Human Resources Department shall maintain a list of FLSA exempt non-represented positions that are eligible for Management Leave and Professional Leave. Positions may be eligible for Management Leave if there is evidence that the position requires frequent and regular extraordinary hours of work over the course of a year, the Department Director has recommended the position for the

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leave, the Human Resources Director supports the recommendation, and the City Manager has approved the position to be included on the eligible list. Non-represented FLSA Exempt positions not eligible for Management Leave shall be eligible for Professional Leave.