

BILL NO. _____

RESOLUTION NO. _____

A RESOLUTION AMENDING THE PERSONNEL POLICIES AND PROCEDURES MANUAL OF THE CITY OF INDEPENDENCE, MISSOURI REGARDING OVERTIME POLICIES.

WHEREAS, the payment of overtime is an important and necessary component of city operations; and,

WHEREAS, the City of Independence paid \$5,917,806 in overtime in 2021, totaling 138,907 overtime hours paid; and,

WHEREAS, the City's Personnel Policies and Procedures Manual includes provisions that overtime is not based on hours worked, but rather based on total hours, including paid time off; and,

WHEREAS, the City of Independence has Work Agreements with seven different bargaining units that each contain provisions relative to compensation rules for overtime; and,

WHEREAS, a goal of the City's Adopted Strategic Plan, *Independence for All*, is ensuring the City's operations are "Financially Sustainable", with the objectives to "Control Long-Term Costs", "Increase Efficient Use of Financial and Human Resources", and "Improve Long-Range Financial Planning and Decision-Making"; and,

WHEREAS, as stewards of public resources, it is important to periodically review policies and practices to ensure strong fiscal management; and,

WHEREAS, a majority of metro area cities surveyed calculate overtime hours based on hours worked, in accordance with the Fair Labor Standards Act ("FLSA"); and,

WHEREAS, the City's overtime obligation could be reduced by modifying the City's Personnel Policies and Procedures Manual to base overtime eligibility on actual hours worked per the FLSA work period; and,

WHEREAS, changes to the City's overtime practices would reduce current and future costs and increase efficiency; and,

WHEREAS, the City Council wishes to continue implementing the goals of *Independence for All* and pursue changes to the City's overtime policies and practices to align more closely with best practices and FLSA requirements in order to exercise good fiscal stewardship.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That Article IV. (Hours of Work and Leave), Section Q (Special Work Schedules). 2a., of the Personnel Policies and Procedures of the City of Independence, Missouri is hereby amended to read as follows:

ARTICLE IV. HOURS OF WORK AND LEAVE

Q. Special Work Schedules

2. When an employee works a special schedule which regularly involves daily hours greater than eight hours; i.e. 10 or 12 hours plan, or days other than Monday through Friday, the following shall apply:

- a. Overtime pay: All non-exempt employees working in excess of forty (40) hours per week shall be compensated at the rate of one and one-half (1½) times their regular hourly rate of pay. For purposes of this subsection, when calculating total hours per work period, holidays not worked but paid via holiday pay are included. All other hours paid but not actually worked are excluded.

This section shall not preclude provisions establishing an entitlement to premium pay for hours worked on holidays or weekends (if the weekends are not regular working days for the employees in question). This section is intended to eliminate any practice or provision that automatically pays overtime or premium pay for all hours worked outside an employee's regular schedule if the employee has not actually worked the requisite number of hours during the pay period required to qualify for overtime pay.

SECTION 2. That Article V. (Compensation and Benefits), Section B (Administration of Pay Plan). 6, of the Personnel Policies and Procedures of the City of Independence, Missouri is hereby amended to read as follows:

ARTICLE V. COMPENSATION AND BENEFITS

B. Administration of Pay Plan

6. Overtime Pay:

- a. All non-exempt employees working in excess of forty (40) hours per week shall be compensated at the rate of one and one-half (1½) times their regular hourly rate of pay. For purposes of this subsection, when calculating total hours per week worked, holidays (as defined in Article IV, Section C) are included.

This section shall not preclude provisions establishing an entitlement to premium pay for hours worked on holidays or weekends (if the weekends are not regular working days for the employees in question). This section is intended to eliminate any practice or provision that automatically pays overtime or premium pay for all hours worked

outside an employee's regular schedule if the employee has not actually worked the requisite number of hours during the pay period required to qualify for overtime pay.

- b. Overtime must be authorized by the department director.
- c. Exempt and non-exempt status shall be identified in the class specification.
- d. Compensation in excess of salary may be granted to exempt employees under emergency conditions which directly involve the health, safety and/or welfare of employees or citizens. Such pay must have prior approval of the City Manager.

PASSED THIS ____ DAY OF _____, 2022, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED – FORM AND LEGALITY:

City Counselor

REVIEWED BY:

City Manager