



CITY OF EVERMAN
212 North Race Street Everman, TX 76140
STAFF REPORT

AGENDA TITLE: RESOLUTION NO. 2026-03-02 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, AMENDING ARTICLE V – LEAVE POLICIES OF THE CITY OF EVERMAN PERSONNEL MANUAL BY AMENDING SECTION 5.02 VACATION LEAVE AND SECTION 5.03 SICK LEAVE REGARDING PAYMENT UPON SEPARATION; PROVIDING FOR IMPLEMENTATION; AND DIRECTING THE DIRECTOR OF HUMAN RESOURCES TO UPDATE AND DISTRIBUTE THE PERSONNEL MANUAL NO LATER THAN MARCH 31, 2026.

MEETING DATE: March 10, 2026

PREPARED BY: C. W. Spencer – City Manager

RECOMMENDED ACTION:

Approval

BACKGROUND

The City's existing accrued leave payout policy established a maximum payout cap of 180 hours for employees upon separation from employment, regardless of position or work schedule classification.

While this cap provided administrative simplicity, it did not account for the unique scheduling structure of Fire Department personnel or the overtime provisions applicable under the Fair Labor Standards Act (FLSA).

Firefighters operate under a 24-hour shift schedule and are subject to FLSA Section 207(k) work period provisions, which differ significantly from the 40-hour workweek structure applicable to most City employees. As a result, the prior cap created inequity between standard-hour employees and Fire Department personnel.

ISSUE

The prior policy:

- Applied a uniform 180-hour payout cap across all classifications
- Did not account for 24-hour shift structures

- Did not proportionally reflect FLSA work period standards
- Resulted in inequitable leave valuation between departments

Under a 40-hour employee model, 180 hours represents 4.5 weeks of leave. For firefighters working extended shifts under FLSA 207(k), the same 180-hour cap does not represent an equivalent period of leave due to the difference in scheduled hours and overtime thresholds.

This created a structural inequity rather than a performance-based or tenure-based distinction.

PURPOSE OF THE UPDATED POLICY

The proposed policy corrects this inequity by:

- Aligning payout calculations with FLSA work period guidelines
- Ensuring equitable treatment across employee classifications
- Recognizing the operational structure of 24-hour shift personnel
- Providing proportional treatment relative to scheduled work hours
- Maintaining fiscal responsibility and policy clarity

The update ensures that leave payouts are equitable, defensible, and consistent with federal labor standards.

FISCAL IMPACT

The revised policy does not create a new category of benefit but instead adjusts payout structure to ensure fairness across classifications.

Any fiscal impact will occur only at the time of employee separation and will reflect leave already accrued under existing compensation structures.

The policy improves predictability and reduces potential risk associated with inequitable compensation practices.

STRATEGIC IMPACT

Adoption of this policy:

- Promotes fairness and equity among employees
- Aligns City policy with federal labor standards
- Strengthens morale within public safety departments
- Reduces potential compliance risk

- Reflects responsible and modern personnel administration

This update ensures that the City's compensation practices are consistent with operational realities and industry standards.

LEGAL CONSIDERATIONS

The Fair Labor Standards Act (FLSA), specifically Section 207(k), provides alternative work period calculations for fire protection personnel.

While the previous policy was not unlawful, it did not proportionally account for these work period differences. The updated policy better aligns with recognized labor standards and reduces exposure to potential disputes regarding equitable compensation treatment.