

5.5 Overtime Compensation and Compensatory Time

All policies governing overtime/compensatory time shall follow the requirements of the Fair Labor Standards Act (FLSA).

5.5.1 Overtime Compensation

- Overtime pay applies only to non-exempt employees and is calculated at 1.5 times the regular hourly rate for actual hours worked in excess of 40 per week.
- Paid leave, including sick days, vacation days, or other non-working paid days, shall not count toward overtime eligibility.
- Overtime must be approved in advance by a Department Head and the CA or CFO.

5.5.2 Compensatory Time

- Based on departmental needs, an employee may receive, in lieu of overtime compensation or upon written agreement with the Department Head and City Administrator, compensatory time off at a rate of one and 1.5 hours for each hour worked for which overtime compensation would otherwise be required by this section.
- “Compensatory time” and “compensatory time off” mean hours during which an employee is not working but receives paid time off at the employee’s regular rate.
- Non-exempt City employees may accrue up to a maximum of 160 hours of compensatory time. Any hours earned in excess of the maximum limits must be paid as overtime for non-exempt employees.
- Employees shall be permitted to use accrued compensatory time within a reasonable time period after it is requested unless to do so would unduly disrupt the operation of the City.
- Employees are encouraged to utilize their compensatory time in the year it is earned. A maximum of 60 hours may be carried over from one calendar year to the next. Any hours in excess of this limit as of December 31st will be paid out to non-exempt employees at the employee’s current regular rate of pay in the first pay period of January.
- Upon termination or resignation, accrued compensatory balances will be paid to the employee, subject to the employee abiding by the requirements of this

manual regarding Separation of Employment. Payment will be at the hourly rate of pay being received on the date of the separation of employment.

5.6 Holiday Pay

- All full-time employees and appointed officers shall receive normal compensation for legal holidays and any other day or part of a day during which the City's public offices are closed by special proclamation of the Mayor, with approval from the Board of Alders.
- A holiday is a maximum period of eight (8) hours, paid at the employee's regular rate.
- If a holiday falls on a Saturday, City offices will close on the preceding Friday.
- If a holiday falls on a Sunday, City offices will close on the following Monday.

5.6.1 Observed Holidays

- **New Year's Day**
- **Martin Luther King Jr. Day**
- **President's Day**
- **Memorial Day**
- **Juneteenth**
- **Independence Day**
- **Labor Day**
- **Columbus Day**
- **Veterans Day**
- **Thanksgiving Day**
- **Friday after Thanksgiving**
- **Christmas Eve**
- **Christmas Day**
- **New Years Eve**

5.6.2 Holiday Pay Rules

- If the City is closed and you are not scheduled to work
 - Employees will receive 8 hours of holiday pay at their regular rate, regardless of their normal schedule.
- If you work on the holiday
 - Employees required to work on a City-recognized holiday will receive 2× their regular hourly rate for all hours worked on the holiday
- **If you normally do not work that day and your schedule is unchanged** - If the holiday falls on a day the employee is not normally scheduled to work, and the employee's schedule is not adjusted:
 - The employee receives no holiday pay
 - The employee receives no additional compensation
- **No schedule manipulation** - Departments may not adjust an employee's schedule solely to avoid or increase holiday pay.
- **Overtime Interaction** - Holiday hours do not count toward overtime calculations. Only hours actually worked count toward overtime thresholds.

5.6.3 Summary Table

Scenario	Pay Outcome
City closed, employee not working due to closure	8 hours at regular rate
Employee works on holiday	2× regular rate for all hours worked
Employee not scheduled that day, schedule unchanged	No holiday pay
Schedule changed to avoid or increase holiday pay	Not permitted

5.7 Vacation Leave

Length of Employment	Hours Accrued Per Pay Period	Maximum Accrued Vacation Per Year
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0 to 1 Year	1.54 hours	40 hours (1 week)
1 to 4 Years	3.08 hours	80 hours (2 weeks)
5 to 11 Years	4.62 hours	120 hours (3 weeks)
12 to 14 Years	6.16 hours	160 hours (4 weeks)
15+ Years	7.70 hours	200 hours (5 weeks)

Vacation Policy Details:

- Employees must complete six (6) months of employment and successfully finish their probation period before using vacation leave.
- Vacation does not accrue during unpaid leaves of absence.
- Employees must request vacation time in advance and receive approval from their Department Head (or City Administrator for Department Heads).
- Employees may carry over up to 160 hours (20 days) of vacation leave into the next calendar year.
- Upon termination or resignation, employees with one (1) year of service or more shall be paid out for their unused vacation days (up to 160 hours).
- Upon termination or resignation, accrued vacation days will be paid to the employee, subject to the employee abiding by the requirements of this manual regarding Separation of Employment.

5.8 Sick Leave

Length of Employment	Hours Accrued Per Pay Period	Maximum Accrued Sick Leave Per Year
0 to 1 Year	1.54 hours	40 hours (1 week)
1+ Years	3.08 hours	80 hours (2 weeks)

Sick Leave Policy Details:

- Employees may use sick leave in quarter hour increments.
- Sick leave may be used for personal illness, injury, or to care for an immediate family member (subject to supervisor approval).

- Employees may accumulate up to 280 hours (35 working days) of sick leave, which rolls over annually.
- Sick leave does not accrue during unpaid leave.
- Employees do not receive a payout for unused sick leave upon separation from the City.