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|  | TOWN OF PARADISE VALLEY Administrative Policy | | |
| | Title: OVERTIME | Policy No. AP-17 | Effective Date: 06/11/2023 |
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| Policy Owner: Gina Monger, Human Resources Director | | Approved By: Jill Keimach, Town Manager | |
| Revision History: | | Authorized By: Town of Paradise Valley Resolution No. (TBD) | |

1. Policy Statement

1.1. The Town of Paradise Valley (hereinafter the “Town”) strives to provide the highest level of service to its residents, which may result in employees working over 40 hours in the designated workweek(s). The Town also recognizes the budgetary impact overtime can cause and strives to mitigate overtime when possible and reasonable to do so.

1.2. This policy supersedes *Section 810, Overtime*, of the *Town Employee Handbook*.

2. Scope

This policy applies to all employees who are eligible for overtime compensation and designated as non-exempt in accordance with the *Fair Labor Standards Act (FLSA)*. Overtime-exempt employees are excluded from the provisions of this policy except as provided for in *Section 6. Exempt Employees*.

3. Definitions

Unless stated otherwise, the definitions only apply to the provisions of this policy.

3.1. **Workweek:** From Sunday 12:00 a.m. through Saturday 11:59 p.m.

FLSA Section 207(k): If a work period has been declared by the Police Chief for specific categories of sworn police officers, and approved by the Town Manager, overtime will be paid in accordance with Departmental Rules, as approved by the Town Manager and on file with the Management Services Department for payroll.

3.2. **Work:** For the purposes of this policy, work includes:

3.2.1. All hours spent performing the duties of the job as assigned;

3.2.2. Vacation leave;

3.2.3. Sick leave; and

3.2.4. Holidays.

3.2.5. Work does not include donated leave, compensatory time, additional compensation for time worked on a holiday, or any other paid leave not specifically defined.

3.2.6. Time that is otherwise compensable under the FLSA.

3.3. Overtime Hours: Overtime is based exclusively on the number of hours worked over 40 in the designated workweek.

3.4. Compensatory Time: Time off for overtime hours worked in lieu of cash payment.

4. Responsibility

4.1. Department supervisors are responsible for advance planning to minimize the use of overtime.

4.2. Employees are responsible for adhering to their work schedules. Overtime must be approved in advance by the department designee or as soon as possible in the event of emergency conditions.

5. Overtime Administration

5.1. Schedule Adjustments

Supervisors will adjust employees' schedules within the workweek to avoid overtime, when reasonably possible, to minimize costs. This provision does not apply to employees assigned to positions that require relief.

5.2. Overtime Calculation

5.2.1. Overtime pay is calculated to the nearest quarter of an hour. Employee time worked from 1 to 7 minutes is rounded down and not counted as hours worked. Employee time from 8 to 14 minutes is rounded up and counted as a quarter-hour (0.25) of work time.

5.2.2. One hour of overtime is equal to one and one-half (1.5) times the employee's base rate of pay, inclusive of any assignment pay and shift differential. Compensatory time is accrued at the same rate as overtime. One hour of overtime is equal to one and one-half (1.5) hours of compensatory time off.

5.3. Overtime Compensation Election

5.3.1. Employees may elect to be compensated for overtime hours worked in the form of cash or compensatory time off at the time his/her timesheet with the overtime hours is submitted for approval.

5.3.2. Overtime to be accrued as compensatory time will be reported as actual hours worked and will be conversion to compensatory hours earned by payroll personnel. Available compensatory time earned will be determined as of the last timesheet approved in the electronic payroll system.

5.4. Maximum Balance

5.4.1. The Town Manager has the discretion to increase the maximum hours of compensatory time earned by Town employees.

5.4.2. Sworn employees and Police Dispatchers may accumulate a maximum balance of 120 hours of compensatory time. All other employees may accumulate a maximum of 80 hours of compensatory time.

5.5. Use of Compensatory Time

Compensatory must be approved in advance and may be contingent upon the availability of relief employee(s). Compensatory hours used will be reported on the employee timesheets as actual hours of compensatory time off.

5.6. Compensatory Time Cash-Out

Accrued compensatory time is paid (cashed out) only at resignation, termination, retirement, or upon promotion to an exempt classification.

6. Exempt Employees

Exempt employees may on occasion receive informal paid leave called exempt time for time worked in excess of their usual work schedules. Exempt time is given at the discretion of the Town Manager. Exempt time is based on an informal agreement between the exempt employee and Town Manager for which the employee has no claim or property rights.

7. References

7.1. Town Employee Handbook

7.2. Fair Labor Standards Act