

**CITY OF GRANITE FALLS, WASHINGTON  
RESOLUTION NO. 04 - 2009**

**A RESOLUTION OF THE CITY COUNCIL OF GRANITE FALLS,  
WASHINGTON, REGARDING EXEMPT EMPLOYEES UNDER  
FEDERAL AND STATE EMPLOYMENT LAWS.**

**WHEREAS**, the City Council has determined that it is in the best interest of the City to adopt a policy for City employees, who are exempt under the federal Fair Labor Standards Act and the Washington State Minimum Wage Act.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GRANITE FALLS, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

**Section 1. Exempt employees.** All City employment positions are designated by the Mayor as either "exempt" or "non-exempt" according to the Fair Labor Standards Act ("FLSA") and the Washington Minimum Wage Act regulations. For most non-exempt employees, the standard work period is forty (40) hours within a seven (7) day work week.

Generally, non-exempt employees are entitled to additional compensation, either in cash or compensatory time off, when they work more than the maximum numbers of hours during a work period. Overtime pay is calculated at one and one-half times the employee's regular rate of pay for all time worked beyond the established work period. When computing overtime, time paid for but not worked (e.g., holidays, sick leave and vacation time) is not counted as hours worked.

Exempt employees are not covered by the FLSA or Washington Minimum Wage Act overtime provisions and do not receive either overtime pay or compensatory time in lieu of overtime pay.

In order for employees to be designated exempt, federal and state regulations require exempt employees to be paid on a salary basis, to make at least \$455 per week, and to meet the applicable exemption criteria for either the executive, administrative, or professional employee exemption categories. A summary of the exemption criteria is attached hereto as Exhibit A.

Exempt employees are not eligible for overtime; they are expected to work as many hours as required to perform the duties of the position. Generally, after accrued paid leave is used, exempt employees' salaries may be reduced only for full day absences for personal reasons, illness, or injury. Deductions for unpaid family and medical leave (per the Family and Medical Leave Act), however, may be made in partial-day increments. Also, exempt employees may be paid for partial workweeks in the first and last weeks of their employment with the City.

Exempt employees continue to receive their full salary during workweeks that they are on jury duty, serving as a court witness, or on temporary military leave, beyond that which is expressly provided for in these policies, as long as they work during part of every workweek. Employees do not need to be at the work site to perform work; responding to phone or email messages is considered work.

Unpaid disciplinary suspensions for exempt employees must be in increments of a week, except for violations of safety rules of major significance, which may be in one day increments.

**Section 2. Management time off.** Exempt employees are not entitled to overtime compensation since they are compensated for the product of their work efforts, not the number of hours actually worked. Typically, however, the nature of work for exempt employees requires sustained periods of effort, marked by long hours, limited opportunities for time off, and stresses atypical of nonexempt positions. Further, the City acknowledges that sufficient rest is necessary for personnel to operate at peak performance; administrative leave provides sufficient time off for these employees so as to ensure individual and operational readiness.

Accordingly, exempt employees are eligible for management time off based on the schedule and conditions described below. Additionally, the Mayor may award management time off on a case-by-case basis when conditions warrant such consideration. Management time off will be awarded on a prorated basis, rounded to the next full day, to exempt employees hired during the calendar year.

The following positions shall be awarded an annual bank of specified business days of management time off at the beginning of each calendar year: City Clerk: nine (9) days; City Treasurer: five (5) days; Police Chief and Public Works Supervisor: three (3) days.

Management time off must be:

- Used in minimum increments of one-half day or four (4) hours.
- Approved by the Mayor in advance, which must be documented on appropriate personnel forms.
- Forfeited if not used by the end of each calendar year or upon resignation, retirement, or termination.

Unused management time off may not be converted to cash compensation under any circumstances.

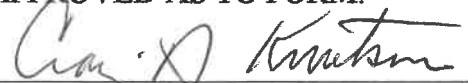
RESOLVED this 8<sup>th</sup> day of July 2009.

ATTEST:

  
\_\_\_\_\_  
City Clerk - Interim

  
\_\_\_\_\_  
Lyle Romack, Mayor

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

## **EXHIBIT A**

### **Exemption Criteria under FLSA and Minimum Wage Act**

#### **Executive Exemption**

To qualify for the executive exemption, all of the following tests must be met:

- The employee must be compensated on a salary basis (as defined in the regulations) at a rate not less than \$455 per week;
- The employee's primary duty must be managing the enterprise, or managing a customarily recognized department or subdivision of the enterprise;
- The employee must customarily and regularly direct the work of at least two or more other full-time employees or their equivalent; and
- The employee must have the authority to hire or fire other employees, or the employee's suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees must be given particular weight.

#### **Administrative Exemption**

To qualify for the administrative exemption, all of the following tests must be met:

- The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$455 per week;
- The employee's primary function must be to perform office or non-manual work that is directly related to the management or general business operations of the employer or the employer's customers; and
- The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.

#### **Learned Professional Exemption**

To qualify for the learned professional exemption, all of the following tests must be met:

- The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$455 per week;
- The employee's primary duty must be to perform work requiring advanced knowledge, defined as work which is predominantly intellectual in character and which requires the consistent exercise of discretion and judgment;
- The advanced knowledge must be in a field of science or learning, such as law, medicine, nursing, accounting, actuarial computation, engineering, education, and various types of physical, chemical, and biological sciences; and

- **The advanced knowledge must be customarily acquired by a prolonged course of specialized intellectual instruction.**