

RESOLUTION 2016-41

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, ADOPTING AMENDMENTS TO THE TOWN OF FOUNTAIN HILLS PERSONNEL POLICIES AND PROCEDURES, AMENDED AND RESTATED AUGUST 1, 2013, BY ADDING NEW POLICIES RELATING TO EXEMPT LEAVE AND MERIT LEAVE; AND DECLARING AN EMERGENCY.

WHEREAS, the Mayor and Council of the Town of Fountain Hills (the “Town Council”) approved Resolution 2013-39, adopting the Town of Fountain Hills Personnel Policies and Procedures, Amended and Restated August 1, 2013 (the “2013 Policy”); and

WHEREAS, the Town Council approved Resolution 2015-54 adopting amendments to the provisions of the 2013 Policy relating to (i) Vacation Leave, (ii) Personal Leave, and (iii) Electronic Mail and Scheduling System, Internet Use, Use of Electronic Devices, iPad/iPhone, and Social Media Policies (the “2015 Amendments”) (the 2013 Policy and the 2015 Amendments are collectively referred to herein as the “Personnel Policy”); and

WHEREAS, the Town Council desires to amend the provisions of the Personnel Policy by adding new policies relating to (i) Exempt Leave, and (ii) Merit Leave.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The Personnel Policy is hereby amended by adding the Exempt Leave Policy in substantially the form and substance attached hereto as Exhibit A and incorporated herein by reference.

SECTION 3. The Personnel Policy is hereby amended by adding the Merit Leave Policy in substantially the form and substance attached hereto as Exhibit B and incorporated herein by reference.

SECTION 4. If any section, subsection, sentence, clause, phrase or portion of this Resolution or any part of the Exempt Leave Policy or the Merit Leave Policy adopted herein by reference is for any reason to be held invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 5. The immediate operation of the provisions hereof is necessary for the preservation of the public peace, health and safety and an emergency is hereby declared to exist, and this Resolution shall be in full force and effect from and after its passage by the Town Council and it is hereby exempt from the referendum provisions of the constitution and laws of the State of Arizona.

SECTION 6. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

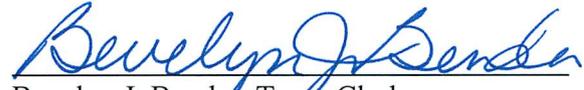
PASSED AND ADOPTED by the Mayor and Council of the Town of Fountain Hills, Arizona, December 15, 2016.

FOR THE TOWN OF FOUNTAIN HILLS:

ATTESTED TO:



Linda M. Kavanagh, Mayor



Bevelyn J. Bender, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:



Grady E. Miller, Town Manager



Andrew J. McGuire, Town Attorney

EXHIBIT A
TO
RESOLUTION 2016-41

[EXEMPT LEAVE POLICY]

See following pages

**Town of Fountain Hills
Personnel Policies and Procedures**

SECTION: FRINGE BENEFITS AND LEAVES
POLICY: EXEMPT LEAVE
POLICY NO: 918
EFFECTIVE: January 1, 2017
REVISED: December 15, 2016

PURPOSE: To establish the Exempt Leave benefit for salaried employees in positions that are classified as exempt under the Fair Labor Standards Act (exempt employees), to provide a definition of the Exempt Leave benefit, and describe how Exempt Leave should be administered, for eligible exempt employees.

SCOPE: All Town employees that are exempted from the Fair Labor Standards Act (FLSA).

POLICY:

Overview:

Full-time exempt employees are expected to work a minimum of forty (40) hours per week. The job requirements of most exempt employees mean that they regularly work considerably more than 40 hours, and that the time worked frequently occurs during hours outside of the normal work schedule. It is not the Town's intent to replace time on an hour-for-hour basis, but to provide "Exempt Leave" to acknowledge these realities.

Exempt Leave:

Exempt Leave is scheduled, paid time taken off the job that is available to FLSA exempt employees who work beyond the normal work week. Exempt Leave is a benefit provided in recognition of the many hours in excess of forty (40) hours per week, which may be required but are not directly compensated on an hourly basis. Exempt leave is in addition to other leave provided by the Town as a benefit to employees.

Exempt Leave is awarded as time off, up to a maximum of forty (40) hours per payroll calendar year. The payroll calendar year begins the first day of the first pay period of the year and ends the last day of the last pay period of the year. Exempt Leave is not accruable beyond the payroll calendar year. An Exempt Employee shall not be paid out any accrued unused Exempt Leave when the employee's employment with the Town ends. Exempt Leave shall not be carried over beyond the end of the last day of the last pay period of the payroll calendar year. Exempt Leave is a "use it or lose it" benefit based on the payroll calendar year. The full forty (40) hours are available to an eligible exempt employee as soon as he/she is appointed to an FLSA exempt position on a pro rata basis, depending on the time of the payroll calendar year the employee starts in said position. See table on the next page.

Exempt Leave is scheduled by the employee in the same manner as vacation leave, is to be taken at the convenience of the department to which the employee is assigned, and shall be approved in writing, or through automation, by the employee's supervisor or his/her designee. It is the responsibility of the exempt employee to request to use his/her Exempt Leave in compliance with departmental workloads and needs. Requests for usage should be submitted to the supervisor as far in advance as possible.

EXEMPT LEAVE table

Following are suggested guidelines for approving the use of Exempt Leave during the first year of hire into a position eligible for Exempt Leave: Start Date on the Job	Number of Hours of Exempt Leave
Jan 1 – February 28	40
March 1 – April 30	30
May 1 – June 30	25
July 1 – August 30	20
September 1 – October 30	10

The Town Manager may grant additional leave to employees throughout the year in recognition of commendable or outstanding performance in the form of “Merit Leave”. Please see the Policy entitled “MERIT LEAVE”.

EXHIBIT B
TO
RESOLUTION 2016-41
[MERIT LEAVE POLICY]

See following page

**Town of Fountain Hills
Personnel Policies and Procedures**

SECTION: FRINGE BENEFITS AND LEAVES
POLICY: MERIT LEAVE
POLICY NO: 919
EFFECTIVE: January 1, 2017
REVISED: December 15, 2016

PURPOSE: To establish the Merit Leave benefit that can be awarded occasionally by the Town Manager for commendable or outstanding employee performance. To provide a definition of Merit Leave, and describe how it should be administered.

SCOPE: All Town employees are eligible regardless of FLSA (Fair Labor Standards Act) status. Both “exempt” and “non-exempt” employees are eligible.

STATEMENT OF POLICY: Merit Leave is scheduled, paid time taken off the job. The Town Manager may approve Merit Leave to Town employees (both exempt and non-exempt) for commendable or outstanding performance. Award of Merit Leave is generally limited to instances when the employee has demonstrated exceptional effort or achievement on a special project.

No more than forty (40) hours of Merit Leave may be awarded to an employee in a calendar year. The payroll calendar year begins the first day of the first pay period of the year and ends the last day of the last pay period of the year. Merit Leave must be used within twelve (12) months from when it was awarded and Merit Leave is not accruable beyond the payroll calendar year.

Merit Leave is a “use it or lose it” benefit, and may not be carried over beyond twelve months after awarded. An employee shall not be paid out any accrued unused Merit Leave when the employee’s employment with the Town ends.

Merit Leave is scheduled by the employee in the same manner as vacation leave, is to be taken at the convenience of the department to which the employee is assigned, and shall be approved in writing, or through automation, by the employee’s supervisor or his/her designee. It is the responsibility of the employee to request to use his/her Merit Leave in compliance with departmental workloads and needs. Requests for usage should be submitted to the supervisor as far in advance as possible.