

TO: Council
Mayor Kneeland

FROM: Abby Cochran
Human Resources Director

DATE: September 23, 2016

SUBJECT: Human Resources Council Report for September 26, 2016

Background: The U.S. Department of Labor (DOL) released its final rule changing the overtime exemptions under the Fair Labor Standards Act (FLSA) on May 18, 2016. The new minimum salary threshold has been set at \$47,476 per year. DOL did not make any changes to the duties test which determines if an employee is overtime exempt. Employers will need to be in compliance with the new regulations by December 1, 2016.

The threshold will automatically update every three years. Each update will raise the standard threshold to the 40th percentile of full-time salaried workers in the lowest-wage Census region, estimated to be \$51,168 in 2020. DOL will post new salary levels 150 days in advance of their effective date, beginning August 1, 2019.

City's Impact: The impact for the City for 2016 is that two exempt employees' salaries fall below the minimum salary threshold as of December 1, 2016. The requested salary ordinance changes will raise their salary to be at the minimum threshold through December 31, 2016.

Analysis of our pay ranges is currently underway through a compensation study and further recommendations will be brought forward for council's approval.

The red-lined versions of the salary ordinances are included. Please note that only two employees' rates – the Administrative Technician under the Unclassified Salary Ordinance and the Recreation Supervisor – Aquatics under the Supervisory Salary Ordinance are adjusted as a result of this. The other red-lined salaries are those which occurred during 2016 as either new employees or those who are receiving below market rate increases.

Action Item #1 – Ordinance for the Supervisory Personnel of the City of Gahanna

We respectfully request council's approval of the revision to the Ordinance for the Supervisory Personnel of the City of Gahanna to ensure that are in compliance by December 1, 2016.

We do not require a waiver or emergency.
(cont'd)

Action Item #2 – Ordinance for the Unclassified Personnel of the City of Gahanna

We respectfully request council's approval of the revision to the Ordinance for the Unclassified Personnel of the City of Gahanna to ensure that are in compliance by December 1, 2016.

We do not require a waiver or emergency.

If you have any questions, please feel free to contact me.