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J-08

CITY COUNCIL AGENDA ITEM

Date: May 16, 2017

To: Brian Kischnick, City Manager

From: Jeanette Menig, Human Resources Director

Subject: Classified and Exempt Classification Plans

History

The Classification Plans for Classified and Exempt positions identify current job titles and pay grade assignments for full-time positions which are not represented by bargaining units.

Exempt positions are called “exempt” because individuals working in them are exempt from the overtime requirements of the Fair Labor Standards Act (FLSA). Among other things, the FLSA details under what conditions an employer may legally *not* pay overtime to employees. To meet the requirements for exempt status a full-time salaried employee must meet a specific salary threshold and qualify through an evaluation of their job duties/responsibilities.

Last year the Department of Labor changed the FLSA; the salary threshold was raised from \$23,660 to \$47,476/yr. This new standard was scheduled to go into effect on December 1, 2016. However, on November 22, 2016, a federal district court judge in Texas placed a temporary injunction, effective nationwide, on the changes to the FLSA, preventing the new rules from taking effect. This temporary injunction is still in place.

Recommendation

Attached are the recommended updates to the Exempt Classification Plan and the Classified Classification Plan.

The updated Exempt Classification Plan includes additional positions, three new positions and one which was mistakenly omitted in earlier versions, the removal of two positions and removal of the reference to the FLSA overtime salary threshold since it is unknown if it will ever become effective.

The updated Classified Classification Plan includes three new positions, title updates to modernize and best describe several existing positions, and removal of a position which no longer exists. One position moved from Exempt to Classified due to the then pending FLSA changes; it remains properly as a Classified position. The Classified Plan was reviewed and approved by the Personnel Board on March 16, 2017.

These modifications will update our plan to reflect the current organization and position titles.