

RESOLUTION NO. 2023 – 12 - 01

A regular meeting of the City Council of the City of Commerce, Texas, was held in Commerce, Texas, at City Hall, on the **5th day of December 2023**, at 6:00 p.m.; a majority of council members being present and constituting a quorum, the following resolution was adopted:

WHEREAS, The City of Commerce desires to enhance employee morale and make the City of Commerce more competitive when recruiting and retaining qualified employees for our workforce as the city recognizes the value of experience and employee retention in delivering services and results to the community we serve; and

WHEREAS, the Fair Labor Standards Act (FLSA) regulates an employer's ability to provide extra compensation in the form of "discretionary bonuses" which excludes that pay from their regular rate of pay; and

WHEREAS, this policy would require that the City Manager, along with his Executive Leadership Team (ELT), review several factors related to the city's fund balance and COLA adjustments that were given in that fiscal year; and

WHEREAS, if the city met established criteria, this policy would allow for an annual, one-time payment for all city employees; and

WHEREAS, the City Council finds that this policy is in the best interest of both the staff serving the citizens of Commerce as well as those citizens receiving the services provided by city employees as it promotes payments associated with the retention of qualified employees; and

NOW THEREFORE, BE IT RESOLVED, that all of the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this governing body and as part of its official record; and

BE IT FURTHER RESOLVED That the City Manager or his designee is authorized to execute this policy; and

BE IT FURTHER RESOLVED A substantial copy of the "Recruitment & Retention Policy" is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes; and

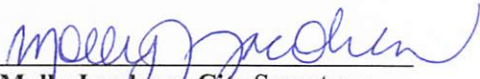
BE IT FURTHER RESOLVED that the City Manager be authorized, and he is hereby authorized to execute the policy and any and all instruments requisite in implementing said Resolution. Recruitment&RetentionPolicy.12.05.2023

resolution;

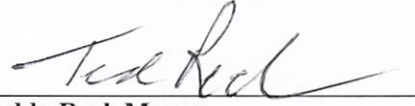
BE IT FURTHER RESOLVED that the City Secretary be authorized and she is hereby authorized to attest to the signature of the City Manager to and any all instruments requisite in implementing this Resolution.

PASSED BY THE GOVERNING BODY of the City of Commerce, Texas, at a regular meeting of the City Council of Commerce, Texas, on the **5th day of December 2023**.

ATTEST:


Molly Jacobsen, City Secretary

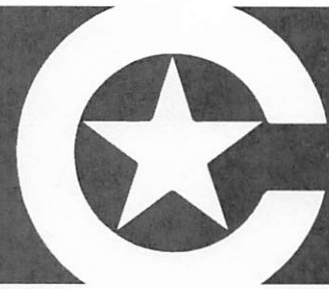
CITY OF COMMERCE


Teddy Reel, Mayor

(Seal)

APPROVED AS TO FORM:


Charles Anderson, City Attorney



OFFICE OF THE CITY MANAGER

Policy Subject:	Recruitment and Retention Pay		
Policy Number:	AD 202312-01	Version:	1.0
CM Approval		Effective Date:	12/01/2023

PURPOSE

The purpose of this Policy is to provide a means to enhance employee morale, to make the City of Commerce more competitive in recruiting employees from a market which includes both East Texas and the Dallas/Fort Worth metroplex and to better encourage the retention of experienced employees so that time saved training new hires will be spent instead delivering services to the citizens.

POLICY

The US Fair Labor Standards Act (FLSA) regulates how an employer can provide more compensation, designated by regulations as "Discretionary Bonuses" to employees so that the "bonus" amount is excluded from the regular rate of pay calculation. To qualify as a Discretionary Bonus, it must meet the following statutory requirements:

- The employer has the sole discretion, until at or near the end of the period that corresponds to the bonus, to determine whether to pay the bonus;
- The employer has the sole discretion, until at or near the end of the period that corresponds to the bonus, to determine the amount of the bonus; and
- The bonus payment is not made according to any prior contract, agreement, or promise causing an employee to expect such payments regularly.

At the end of each Fiscal Year, the City Manager and the Executive Leadership Team shall review the following factors to determine whether to recommend to the City Council the discretionary checks:

- Does the Fund Balance exceed the Adopted Fund Balance Policy?
- Did the ending Fiscal Year have net earnings to cover the discretionary checks?
- Was the Budgeted COLA for the ending Fiscal Year below the CPI for the West South-Central Region?

Such a recommendation shall come as soon as practicable after the close of the fiscal year and the computation of Fund Balance and net earnings for the year.

If the Executive Leadership Team determines to recommend a one-time award of Recruitment and Retention Pay, the amount will not exceed the following amounts:

- Full-Time Employment as of October 1st = shall not exceed \$1,250
- Full-Time Employment after October 1st = shall not exceed \$625
- Part-Time Employment = shall not exceed \$625
- Contract Labor = shall not exceed \$625

Because this recommendation for payment is to benefit the City of Commerce as a whole, it shall be apportioned to all employees and contract labor as designated herein. A positive recommendation by the Executive Leadership Team will not be any sort of guarantee that such payment will be made as that decision is within the legislative discretion and purview of the Commerce City Council

If the City Council, **in its sole discretion**, and with consideration of all other needs of the City, determines that one time Recruitment and Retention payments, regulated by the United States Department of Labor as “Discretionary Bonuses”, are warranted, serves the public interest and is in conformance with State and Federal law, the amount paid will process through the payroll system as its own payroll run.

- Federal withholding will come out of the checks.
- No other withholding will be added.
- Separate checks will be issued. It will not be included in a regular paycheck.