



# CITY OF RAPID CITY

## RAPID CITY, SOUTH DAKOTA 57701-2724

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### *Office of the Mayor*

300 Sixth Street

605-394-4110

E-mail: [mayorsoffice@rcgov.org](mailto:mayorsoffice@rcgov.org)

November 23, 2016

Rapid City Common Council  
300 6th Street  
Rapid City, SD 57701

*Re: Department of Labor Overtime Rule*

Dear Council Member:

In preparation for the implementation of the Department of Labor's new overtime ruling, our Human Resources Department has identified 24 employees who would come into conflict with the new requirement of paying overtime to all salaried employees earning less than \$47,476 (this wage limit was doubled in the ruling). After being identified, these employees were individually evaluated in terms of the most logical and economical correction to their salary or salary structure. In two cases, it was necessary to convert the employees to an hourly wage. The other 22 employees would remain salary, but be moved up to an amount over \$47,476. In preparation for the implementation of this new rule, the employees were contacted and advised what the correction would be to their salary. The proposed increase in wages was to be about \$35,500 annually, or an average of \$1,600 annually for each of the 22 employees. This was thought to be less expensive than converting the employees to an hourly wage.

In summary, 24 employees were counting on seeing a pay increase related to this new measure starting December 1, 2016. Yesterday (November 22nd) a federal judge of the fifth circuit in Texas issued an injunction blocking the implementation of the Department of Labor's overtime rule. This essentially puts implementation of the rule in limbo, while the merits of the issue are reevaluated. Although I am not a political strategist, I have an inkling that the new Republican President and Republican Congress may see fit to do away with this rule as well. Time will tell.

As a result, the employees who were to receive a pay adjustment relative to this overtime rule have been re-contacted and advised that they will not be receiving the pay increase as planned. I'm fairly certain some may be disappointed... who wouldn't be?

I am writing only to inform you of the change in circumstances at this time. If you have questions or would like further information, please contact me at your earliest convenience.

Sincerely,

Steve Allender, Mayor  
Rapid City, South Dakota