

Olivehurst Public Utility District



Agenda Item Staff Report

Meeting Date: July 15, 2021

Item description/summary:

Remove 27th payroll adjustment for salaried staff:

27TH PAYS ANOMALY

OPUD's biweekly payroll has 26 paydays per year, except every 11th year has 27 paydays. Not an issue for hourly employees, the 27th payday affects salaried staff. Currently the District's salaried employees are short-paid every year to offset the 27th paycheck in year 11.

POSITION	CURRENT BASE SALARY	ADJUSTEMENT	27 PAY PERIOD PER PAYROLL ADJUSTMENT (26 PERIODS)
Salaried Employee X	\$100,000.00	=100,000/2087 hrs * 2080 hrs =	\$99,664.59 \$3,833.25
Employee X is underpaid each year for 11 years and made whole in year 11 with the 27th paycheck		335.41 X 11 years =	(\$3,689.51)

Fiscal Analysis:

The adjustments understates the true contract salary expense each year except year 11.

Employee Feedback

Staff is in favor of removing the adjustment.

Sample Motion:

Rescind resolution 2194 and authorize staff to remove 27th payroll adjustment.

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