Olivehurst Public Utility District

Agenda Item Staff Report

Meeting Date: July 15, 2021

Item description/summary:

Remove 27th payroll adjustment for salaried staff:

<table>
<thead>
<tr>
<th>POSITION</th>
<th>CURRENT BASE SALARY</th>
<th>ADJUSTMENT</th>
<th>27 PAY PERIOD PER PAYROLL ADJUSTMENT (26 PERIODS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaried Employee X</td>
<td>$100,000.00</td>
<td>2080 hrs</td>
<td>$99,874.69</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>$3,833.26</td>
</tr>
</tbody>
</table>

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.

Employee X is underpaid each year for 11 years and made whole in year 11 with the 27th paycheck.

Fiscal Analysis:
The adjustments understate 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.

Prepared by: Karin Helvey