

TAB 11



City of Palmetto Agenda Item

Meeting Date

9/27/10

Presenter: Jim Freeman

Department: City Clerk

Title: One-Time Payment in Lieu of Raises

On September 13th staff presented to Commission a proposal to give employees a one-time payment in lieu of a COLA or step raise in the amount of \$1,000 or \$750, based on Commission's approval. A complete accounting of the costs has been compiled and the City Attorney has reviewed legal issues concerning such a payout. Based on Section 7.04 of the City's Personnel Policy, it has been determined that the City is justified in making such a payment to the employees.

The one-time payment will be a flat amount to each eligible employee regardless of the salary and will not be included in the base salary. The City will be responsible for all FICA/Medicare taxes, employer and employee portions, and pension contributions. The employee will be responsible for any federal withholding taxes. The payment will be issued in check form with no direct deposits and will not include any deductions normally taken from the employee's pay check. Basically, the net amount of the check will be \$1,000 or \$750. To be eligible, an employee must be on active status on September 30, 2010 and have a hire date prior to April 1, 2010.

The summaries of calculations are attached showing the cost and its effect on fund balance reserves per fund with and without Mayor and Commission being included in the payment. The recommendation is for the payment to be \$1,000 for full time employees, \$500 for part time employees and \$100 for Crossing Guards at a total cost to the City of \$135,174, not including Mayor and Commission. All costs are funded through FY2010 projected surpluses as stated on the attachment.

Budgeted Amount: \$135,174.00 **Budget Page No(s):** NA **Available Amount:** \$0.00 **Expenditure Amount:** \$135,174.00

Additional Budgetary Information: This may force some cost centers to become over budget; however, each individual fund has sufficient surplus projected.

Funding Source(s): FY2010 surplus **Sufficient Funds Available:** Yes No **Budget Amendment Required:** Yes No **Source:**

City Attorney Reviewed: Yes No N/A **Advisory Board Recommendation:** For Against N/A **Consistent With:** Yes No N/A

Potential Motion/Direction Requested: To approve the one-time payment in lieu of raises in the net amount of \$1000 per full time employees, \$500 to part time employees and \$100 to crossing guards to be funded by projected surpluses in FY2010.

Staff Contact: Karen Simpson Finance x109

Attachments: Summary of calculations is attached.

PROPOSED LUMP SUM PAYMENT IN LIEU OF SALARY INCREASE

\$1,000 Net to Employee
As of end of year FY2010

<u>Fund</u>	<u>Cost</u>	<u>Projected Surplus Before Change</u>	<u>Projected Months of Fund Balance Reserve</u>	<u>Projected Surplus After Lump Sum Payment</u>	<u>Projected Months of Fund Balance Reserve</u>
General Fund	100,587	657,220	5.55	556,633	5.25
Building Department	2,406	(132,938)	32.07	(135,344)	31.37
CRA	2,933	-	5.78	(2,933)	5.78
Road and Bridge	1,203	233,367	15.00	232,164	15.27
Solid Waste	2,406	128,030	2.36	125,624	2.35
Water and Sewer	20,828	216,598	5.33	195,771	5.17
Stormwater	4,812	201,287	(6.57)	196,475	(6.58)
	135,174				

\$1,000 Net to Employee With Mayor and Commission
As of end of year FY2010

<u>Fund</u>	<u>Cost</u>	<u>Projected Surplus Before Change</u>	<u>Projected Months of Fund Balance Reserve</u>	<u>Projected Surplus After Lump Sum Payment</u>	<u>Projected Months of Fund Balance Reserve</u>
General Fund	104,622	657,220	5.55	552,598	5.24
Building Department	2,406	(132,938)	32.07	(135,344)	31.37
CRA	2,933	-	5.78	(2,933)	5.78
Road and Bridge	1,203	233,367	15.00	232,164	15.27
Solid Waste	2,406	128,030	2.36	125,624	2.35
Water and Sewer	20,828	216,598	5.33	195,771	5.17
Stormwater	4,812	201,287	(6.57)	196,475	(6.58)
	139,209				

Assumptions:

- Full time employees receive \$1,000 or \$750
- Part time employees receive \$500 or \$375
- Crossing Guards receive \$100 or \$50
- The City will pay all FICA and Medicare expenses
- The City will pay the employee's 5% pension contribution
- Any federal withholding taxes will be paid by the employee

Eligibility Requirements:

- Employees must be in an active status as of September 30, 2010
- Employees must have a hire date prior to April 1, 2010

PROPOSED LUMP SUM PAYMENT IN LIEU OF SALARY INCREASE

\$750 Net to Employee

As of end of year FY2010

<u>Fund</u>	<u>Cost</u>	<u>Projected Surplus Before Change</u>	<u>Projected Months of Fund Balance Reserve</u>	<u>Projected Surplus After Lump Sum Payment</u>	<u>Projected Months of Fund Balance Reserve</u>
General Fund	75,325	657,220	5.55	581,895	5.28
Building Department	1,805	(132,938)	32.07	(134,743)	31.40
CRA	2,199	-	5.78	(2,199)	5.78
Road and Bridge	902	233,367	15.00	232,465	15.27
Solid Waste	1,805	128,030	2.36	126,226	2.35
Water and Sewer	15,621	216,598	5.33	200,977	5.18
Stormwater	3,609	201,287	(6.57)	197,678	(6.57)
	101,265				

\$750 Net to Employee With Mayor and Commission

As of end of year FY2010

<u>Fund</u>	<u>Cost</u>	<u>Projected Surplus Before Change</u>	<u>Projected Months of Fund Balance Reserve</u>	<u>Projected Surplus After Lump Sum Payment</u>	<u>Projected Months of Fund Balance Reserve</u>
General Fund	78,351	657,220	5.55	578,869	5.28
Building Department	1,805	(132,938)	32.07	(134,743)	31.40
CRA	2,199	-	5.78	(2,199)	5.78
Road and Bridge	902	233,367	15.00	232,465	15.27
Solid Waste	1,805	128,030	2.36	126,226	2.35
Water and Sewer	15,621	216,598	5.33	200,977	5.18
Stormwater	3,609	201,287	(6.57)	197,678	(6.57)
	104,292				