

24-1



# CITY OF SACRAMENTO

## DEPARTMENT OF FINANCE

ACCOUNTING DIVISION

September 24, 1985  
FAD: 85097/PEE/lmh

Phil E. Ezell  
Accounting Officer

**APPROVED**  
BY THE CITY COUNCIL

OCT 1 1985

OFFICE OF THE  
CITY CLERK

City Council  
Sacramento, California

Honorable Members in Session

Subject: Staffing Requirements for Fair Labor Standards Act Implementation

### Summary

Approval of the attached resolution will authorize the necessary staffing and funding for initiating retro-active salary calculations to comply with the Fair Labor Standards Act (FLSA) for the City of Sacramento. The City of Sacramento became obligated, along with all municipalities, to comply with the FLSA as of April 15, 1985. The Department of Labor will begin compliance enforcement as of October 15, 1985.

### Background Information

Based on a Supreme Court decision, all municipalities and state governments are now required to comply with the FLSA. Briefly, this Act requires that all non-exempt employees, as defined by the Act, must be compensated at one and one-half times their "regular rate" of pay for overtime hours within specified work periods. The FLSA also prohibits granting compensating time off in lieu of cash time and one-half payment for overtime worked.

Due to the City's negotiated salary and wage structure, which provides for variable rates of compensation such as stand-by, shift differentials, and out of class, it is now necessary to retroactively recalculate the amounts paid to employees for overtime and compensating time off. At this time the City's payroll system is not programmed to calculate overtime compensation to provide full compliance to the Law. Programming modifications and strategies have been discussed and will begin within four weeks. The estimated completion date is January 1986. However, the retro-active recalculations and payments to employees must be accomplished using manual methods. Manual calculations will be made for the period beginning April 13, 1985, the pay period date nearest to the April 15 date, until the automated system is fully developed and has been properly tested.

### Financial Data

It is estimated that the recalculation of the amounts due to the employees will require approximately 3400 hours to complete. To expedite the

~~24-1~~  
24-1

process, it is recommended four limited term employees be hired to accomplish the task. The terms of employment will be from October 1985 until March 1986. The estimated cost is as follows:

STAFFING - 4

Limited Term Accounting Technicians - \$33,000

EQUIPMENT

2 Leading Edge Micro Computers (PC type) 3,700

Desk, chairs, and calculators 2,000

SPACE RENTAL - 1000 square feet @ \$1.20 for 6 months 7,200

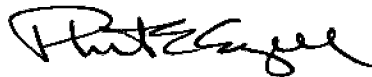
TOTAL ESTIMATED COST \$45,900

The above amount is the direct cost of employees and does not include indirect cost of supervision or the cost of programming the automated system. Also, the amount due to the employees is unknown and reasonable estimates are not available and would be risky to make.

RECOMMENDATION

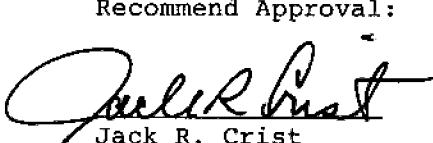
It is recommended the City Council approve the attached resolution authorizing staffing and appropriating funding to accomplish the above mentioned project.

Respectfully submitted,



Phil E. Ezell  
Accounting Officer

Recommend Approval:



Jack R. Crist  
Director of Finance

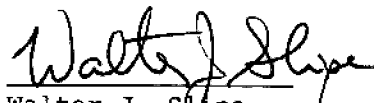


Steve Lakich  
Director of Employee Relations



James L. Puthuff  
Director of Data Processing

Recommendation Approved:



Walter J. Slupe  
City Manager

October 1, 1985  
All Districts

~~24-1~~  
24-1

# RESOLUTION NO. 85-761

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

OCTOBER 1, 1985

RESOLUTION AUTHORIZING STAFFING AND APPROPRIATING FUNDING TO IMPLEMENT PROCEDURES FOR COMPLIANCE WITH THE FAIR LABOR STANDARDS ACT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

1. That four positions, Accounting Technician classification, be authorized for the Department of Finance, Accounting Division, for the period from October 1, 1985 until March 31, 1986, and
2. That \$45,900.00 be transferred from the General Fund Administrative Contingency (101-7012-4399) to the Accounting Division Budget (101-1134-4101) for cost associated with staffing and project implementation.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED  
BY THE CITY COUNCIL  
OCT 1 1985  
OFFICE OF THE  
CITY CLERK

