

Memorandum

City of Taylor

To: Mayor and Members of the City Council
CC: Frank Salvato, City Manager
From: Starla Hall, HR/Civil Service Director
Date: October 15, 2004
Re: Calculation of Pay for Fire Department

With the implementation of civil service just a few weeks away, a decision will need to be made on how the civil service employees in the fire department calculation of their hourly rate will be figured. The City of Taylor has adopted a 28-day work cycle for its firefighters under the 7(k) exemption of the Fair Labor Standards Act. What this 7(k) exemption actually means is that employees engaged in fire protection activities with 28 consecutive day work periods are entitled to one and one-half times their regular rate of pay if they work beyond 212 hours during the 28 day work period. An employees work period can vary from 96 hours to 120 hours each 14 day work period. At the end of the 2nd 14-day period is when overtime wages are paid. The City of Taylor's payroll is bi-weekly. At current time employees rate of pay is figured by dividing their annual wages by 2,904 hours. These base hours are figured by the least number of hours an employee can work the entire year. One shift can actually work 2928 hours and the other two shifts could work the 2,904. So to be fair to all employees we use the least number of hours to calculate the hourly rate.

To figure the employees work period pay, we pay according to our personnel policies on page 23 section 6.03.05. "At the end of the first pay period in the 28-day work period, the firefighter will be paid for 108 hours at the straight-time rate of pay. At the end of the second pay period in the 28-day work period, the firefighter will be paid for 108 hours. Because of the lawsuit against the City of Waco brought by firefighters, it has been decided that the City should pay each pay period the actual hours the employee works which would be 96 hours or 120 hours. We will need the City Council to amend this part of the personnel policies in order to pay this way.

The court has also ruled in the City of Waco lawsuit that hourly rates of an employee should be based on their actual work period. As you see in the examples the one on the left side is the way that the courts say is the correct way to figure the



employees hourly rate of pay. On the right side is the way we would figure hourly rate based on 2,904 hours worked in a year. When you analyze the entire year based on work period salaries compared to current hourly rate calculations the employees would actually be losing money. In our example for the 1 year firefighter he would actually lose anywhere from \$111.99 to \$361.28 depending upon hours actually worked. For the Lieutenant he would actually lose anywhere from \$140.60 to \$452.13 per year.

CITY OF TAYLOR

Payroll is biweekly. Pay cycle every 14 days
 Pay is based on number of hours worked in a 28 day period.

* Salary \$28,874.00 Salary \$28,874.00
 \$ 48.00 \$ 48.00
 ** \$28,922.00 \$28,922.00

* Work Period Salary is \$2,215.11
 * Hourly Rate for the 216 hour cycle is \$ 10.26
 ** OT Rate for the 216 hour cycle is \$ 15.41

	Hours	Amount
1st Cycle	96	\$ 984.49
2nd Cycle	116	\$ 1,189.60
OT	4	\$ 61.63
Total Work Period Salary		\$ 2,235.73

	Hours	Amount
3rd Cycle	120	\$ 1,230.62
4th Cycle	92	\$ 943.47
OT	4	\$ 61.63
Total Work Period Salary		\$ 2,235.73

* Work Period Salary is \$2,215.11
 * Hourly Rate for the 240 hour cycle is \$ 9.23
 ** OT Rate for the 240 hour cycle is \$ 13.87

	Hours	Amount
5th Cycle	120	\$ 1,107.56
6th Cycle	92	\$ 849.13
OT	28	\$ 388.29
Total Work Period Salary		\$ 2,344.97

Total \$ 6,816.42

Difference \$ 45.03

CITY OF TAYLOR

Payroll is biweekly. Pay cycle every 14 days
 Pay is based on 2904 hours worked in a year.

* Salary \$28,874.00 Salary \$28,874.00
 \$ 48.00 \$ 48.00
 ** \$28,922.00 \$28,922.00

* Hourly Rate for the 216 hour cycle is \$ 9.94
 ** OT Rate for the 216 hour cycle is \$ 14.94

	Hours	Amount
1st Cycle	96	\$ 954.51
2nd Cycle	116	\$ 1,153.37
OT	4	\$ 59.76
Total Work Period Salary		\$ 2,167.64

	Hours	Amount
3rd Cycle	120	\$ 1,193.14
4th Cycle	92	\$ 914.74
OT	4	\$ 59.76
Total Work Period Salary		\$ 2,167.64

* Hourly Rate for the 240 hour cycle is \$ 9.94
 ** OT Rate for the 240 hour cycle is \$ 14.94

	Hours	Amount
5th Cycle	120	\$ 1,193.14
6th Cycle	92	\$ 914.74
OT	28	\$ 418.29
Total Work Period Salary		\$ 2,526.17

Total \$ 6,861.45

1 Year Firefighter

CS Way with OT at 1.5

2904 hours	Amount	2928 hours	Amount
216	2235.73	240	2344.97
240	2344.97	216	2235.73
216	2235.73	216	2235.73
216	2235.73	240	2344.97
240	2344.97	216	2235.73
216	2235.73	216	2235.73
216	2235.73	240	2344.97
240	2344.97	216	2235.73
216	2235.73	216	2235.73
216	2235.73	240	2344.97
240	2344.97	216	2235.73
216	2235.73	216	2235.73
216	2235.73	240	2344.97
240	2344.97	216	2235.73
216	2235.73	216	2235.73
216	2235.73	240	2344.97
2904	\$ 29,501.45	2928	\$ 29,610.69

Current Way with OT at 1.5

2904 hours	Amount	2928 hours	Amount
216	2167.64	240	2526.17
240	2526.17	216	2167.64
216	2167.64	216	2167.64
216	2167.64	240	2526.17
240	2526.17	216	2167.64
216	2167.64	216	2167.64
216	2167.64	240	2526.17
240	2526.17	216	2167.64
216	2167.64	216	2167.64
216	2167.64	240	2526.17
240	2526.17	216	2167.64
216	2167.64	216	2167.64
216	2167.64	240	2526.17
2904	\$ 29,613.44	2928	\$ 29,971.97
Difference	\$ (111.99)	Difference	\$ (361.28)

CITY OF TAYLOR

Payroll is biweekly. Pay cycle every 14 days
 Pay is based on number of hours worked in a 28 day period.

* Salary \$36,060.00 Salary \$36,060.00
 \$ 240.00 \$ 240.00
 ** \$36,300.00 \$36,300.00

* Work Period Salary is \$2,766.40
 * Hourly Rate for the 216 hour cycle is \$ 12.81
 ** OT Rate for the 216 hour cycle is \$ 19.34

	Hours	Amount
1st Cycle	96	\$ 1,229.51
2nd Cycle	116	\$ 1,485.66
OT	4	\$ 77.36
Total Work Period Salary		\$ 2,792.52

	Hours	Amount
3rd Cycle	120	\$ 1,536.89
4th Cycle	92	\$ 1,178.28
OT	4	\$ 77.36
Total Work Period Salary		\$ 2,792.52

* Work Period Salary is \$2,766.40
 * Hourly Rate for the 240 hour cycle is \$ 11.53
 ** OT Rate for the 240 hour cycle is \$ 17.41

	Hours	Amount
5th Cycle	120	\$ 1,383.20
6th Cycle	92	\$ 1,060.45
OT	28	\$ 487.34
Total Work Period Salary		\$ 2,930.99

Total \$ 8,516.04

Difference \$ 56.40

CITY OF TAYLOR

Payroll is biweekly. Pay cycle every 14 days
 Pay is based on 2904 hours worked in a year.

* Salary \$36,060.00 Salary \$36,060.00
 \$ 240.00 \$ 240.00
 ** \$36,300.00 \$36,300.00

* Hourly Rate for the 216 hour cycle is \$ 12.42
 ** OT Rate for the 216 hour cycle is \$ 18.75

	Hours	Amount
1st Cycle	96	\$ 1,192.07
2nd Cycle	116	\$ 1,440.41
OT	4	\$ 75.00
Total Work Period Salary		\$ 2,707.48

	Hours	Amount
3rd Cycle	120	\$ 1,490.08
4th Cycle	92	\$ 1,142.40
OT	4	\$ 75.00
Total Work Period Salary		\$ 2,707.48

* Hourly Rate for the 240 hour cycle is \$ 12.42
 ** OT Rate for the 240 hour cycle is \$ 18.75

	Hours	Amount
5th Cycle	120	\$ 1,490.08
6th Cycle	92	\$ 1,142.40
OT	28	\$ 525.00
Total Work Period Salary		\$ 3,157.48

Total \$ 8,572.44

Lieutenant - 5 Year City Employee

CS Way with OT at 1.5

2904 hours	Amount	2928 hours	Amount
216	2792.52	240	2930.99
240	2930.99	216	2792.52
216	2792.52	216	2792.52
216	2792.52	240	2930.99
240	2930.99	216	2792.52
216	2792.52	216	2792.52
216	2792.52	240	2930.99
240	2930.99	216	2792.52
216	2792.52	216	2792.52
216	2792.52	240	2930.99
240	2930.99	216	2792.52
216	2792.52	216	2792.52
216	2792.52	240	2930.99
240	2930.99		
2904 \$	36,856.64	2928 \$	36,995.11

Current Way with OT at 1.5

2904 hours	Amount	2928 hours	Amount
216	2707.48	240	3157.48
240	3157.48	216	2707.48
216	2707.48	216	2707.48
216	2707.48	240	3157.48
240	3157.48	216	2707.48
216	2707.48	216	2707.48
216	2707.48	240	3157.48
240	3157.48	216	2707.48
216	2707.48	216	2707.48
216	2707.48	240	3157.48
240	3157.48	216	2707.48
216	2707.48	216	2707.48
216	2707.48	240	3157.48
2904 \$	36,997.24	2928 \$	37,447.24
Difference	\$ (140.60)	Difference	\$ (452.13)