



Memorandum

TO: Police and Fire Department
Retirement Plan Board of Administration

FROM: Cheryl Parkman

SUBJECT: Ordinance Changes to Clarify
Definition of FLSA Premium Pay

DATE: July 20, 2021

The 2018 City Auditor's report titled, "Pensionable Earnings: Tighter Controls and More Transparency Can Ensure Retirement Contributions Continue to Be Accurate", contained a recommendation that the Office of Employee Relations and the City Attorney's office should clarify the term "Fair Labor Standards Act (FLSA) premium pay" in Municipal Code Section 3.36.020.3 C. The City Council accepted the Auditor's recommendations on April 3, 2018.

This recommendation was provided because the Auditor's Office found that while many premium pays were correctly identified in the Municipal Code, the Municipal Code also addresses premium pay paid pursuant to the FLSA, but does not define what the term "FLSA Premium Pay" means with respect to firefighters. The Auditor recommended that the City should ensure that any party reading the Municipal Code would be able to have common understanding of which premium pays are pensionable.

Based on the recommendation in the Auditor's Report, we are bringing forward an ordinance for the Board's comment that clarifies FLSA premium pay for firefighters, as well as memorializes when certain pays were incorporated into base pay for both firefighters and police officers.

Please let us know if you have any comments regarding the Municipal Code changes. There is not a date set currently to take this to City Council, but upon the Board's review, a date will be set.

Cheryl Parkman
Assistant to the City Manager

c: Roberto Peña, Director of Retirement Services
Jennifer Schembri, Director of Human Resources and City Manager's Office of Employee Relations
Suzanne Hutchins, Senior Deputy City Attorney

Attachment