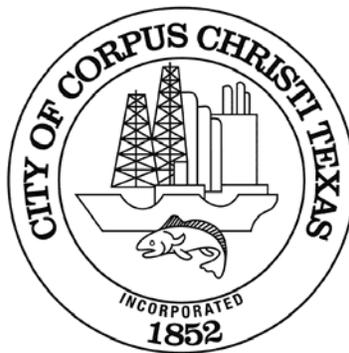

CITY OF CORPUS CHRISTI

CITY AUDITOR'S OFFICE



Payroll Audit

Project No. AU012-002

May 24, 2012

City Auditor
Celia Gaona, CIA CISA CFE

Senior Auditor
Kimberly Houston

Executive Summary

In accordance with the FY 2012 Annual Audit Plan, we conducted an audit of the payroll process in the Financial Services Department of the City of Corpus Christi (City). The focus of this audit was to review the methods employed in processing payroll and to evaluate internal controls to determine compliance with city policies and procedures. The scope period for this audit was for the seventeen month period of August 1, 2010 to December 31, 2011.

Highlights of this report include the following:

- Noncompliance with the Fair Labor Standards Act (FLSA) in the calculation of overtime pays resulting in inaccurate payments to employees.
- Noncompliance with the Omnibus Act of 1990 and Internal Revenue Service regulation on 457(b) plan resulting in some part-time, temporary, and seasonal employees not participating in a Federal Insurance Contribution Act Alternative Plan.
- Inadequate maintenance of payroll documentation in accordance with the Texas State Library and Archives Commission records retention schedule.
- Non-current bank signature cards.

We recommend that City Management:

- Ensure that an employee's 'regular rate' on which overtime pay is based complies with the Fair Labor Standards Act for non-exempt civilian employees.
- Collaborate with the Human Resource Director to ensure that the City complies with terms of the 457(b) plan.
- Coordinate with the City's 457 Plan Administrator to determine restoration amounts due since the plans establishment for current and former part-time, temporary, and seasonal employees participating in the plan.
- Contact the State Social Security Administrator for assistance on former part-time, temporary, and seasonal employees not enrolled in the plan.
- Ensure that supporting payroll records and personnel records are properly approved and maintained in compliance with the Texas State Library and Archives Commission.
- Develop overtime procedures that require overtime be approved and documented. Documentation of overtime will help management assess whether overtime is necessary or avoidable.
- Regularly review bank card signatories to ensure they are kept current at all times for all city bank accounts.

Other Matters

During the audit, we noted that City policy permits non-worked holiday hours to be included as "actual hours worked" in calculating overtime hours for non-exempt employees. FLSA requires that nonexempt employees be paid overtime at time and

one-half their regular rate of pay for all hours worked over 40 in a single workweek. Hours not worked need not be counted as "hours worked" for purposes of FLSA wage computations. Therefore, excluding non-work holiday hours in the overtime calculation would result in cost savings to the City.

Management acknowledged this matter and plans to amend the current City policy, HR 4.0 AP1 "Holiday Pay", by June 30, 2012 to exclude holiday hours not worked in the calculation of overtime hours for non-exempt civilian employees.

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Background

The City of Corpus Christi's payroll system contains a variety of work schedules and leave plans that serve approximately 3,000 city employees which also includes two collective bargaining agreements. For fiscal year 2012, the City's salaries and benefits budget is \$185.1 million with \$29.4 and \$37.8 million for the Fire Department and Police Department, respectively. A summary of the events involved in the payroll process follows.

In March 2011, the payroll process was centralized in the Financial Services, Payroll Division. Prior to this date, the payroll process was managed by each city department. The Payroll Division is comprised of a manager, a supervisor, and eight payroll clerks that manage the payroll function. The two primary systems used to process payroll are KRONOS and PeopleSoft.

KRONOS is used to manage time and attendance and has been in place since 2002. This system use is solely to track employee work hours. Hours are recorded into KRONOS through employee badge swipes, TeleTime (phone-in swipes), schedule edits, or manual input of hours by payroll clerk. The method used varies by departmental need.

PeopleSoft is used to manage the payroll financial process and has been in place since 1999. Employee information such as demographic data and compensation is entered by Human Resources and is utilized by Payroll to process the bi-weekly payroll run. At the end of each pay period, KRONOS time codes are interfaced with PeopleSoft pay codes to generate payroll.

Statutory Authority and Municipal Guidelines

In conducting our audit, we relied on the following authoritative guidelines to serve as criteria for the audit:

- Fair Labor Standards Act which regulates wage and overtime payments and classifications of employees eligible to receive overtime payments;
- Omnibus Budget Reconciliation Act of 1990, which mandates that substitute, temporary, and part-time employees participate in either Federal Insurance Contribution Act (FICA or Social Security Tax) or an alternative plan within the guidelines established by the Internal Revenue Service;
- Internal Revenue Code 457(b), which establishes guidelines for deferred compensation plans;
- City Pay Policies, which define and set compensation guidelines for civilian employees;
- Agreement between the City of Corpus Christi and the Corpus Christi Firefighters' Association for the period of August 1, 2008 to July 31, 2011¹;

¹ The agreement remains in effect until superseded by a new contract.

- Agreement between the City of Corpus Christi and the Corpus Christi Police Officers' Association for the period of August 1, 2010 to July 31, 2015.

Audit Objectives

The overall objectives of our audit were to determine whether:

- Payroll transactions were accurate, had the proper support documentation on file, and were recorded in the appropriate period;
- Policies and procedures in place were carried out as designed;
- Employee overtime pay was accurately calculated, authorized and budgeted;
- Effective controls over payroll processing and related activities are in place to ensure compliance with applicable laws and regulations.

Audit Scope and Methodology

Our audit scope consisted of 117,290 payroll transactions totaling \$201,085,687 from August 2010 through December 2011. The audit focused on the City's payroll process and related salary transactions. We also included fiscal years 2009 and 2010 payroll totals for annual comparisons.

The examination was designed to evaluate and test compliance with established policies and procedures and to test the internal control over tested areas and material. The scope of work did not include an analysis of the interface between the timekeeping and payroll system or the new hire payroll in-processing. Collective bargaining agreements were used as a reference only in testing sample data.

The purpose of the audit report is to furnish management independent, objective analysis, recommendations, and information concerning the activities reviewed. The report is a tool to help management discern and implement specific improvements. The report is not an appraisal or rating of management.

City management is responsible for establishing and maintaining a system of internal controls to ensure assets are safeguarded, financial activity is accurately reported and reliable, and management and their employees are in compliance with laws, regulations, and agreements with other entities.

Our methodology consisted of reviewing policies and procedures related to payroll. We observed the payroll process, conducted interviews with appropriate management and employees, and performed test work regarding support documentation of Employee Change Forms, Overtime Support, Leave Request Forms, and Payroll Adjustments Forms, which are adjustments to KRONOS time keeping.

We used statistical sampling to generate our sample size and sample selection using a desired confidence level of 90% and a 10 percent margin of error. By using statistical sampling, we can infer the conclusions of our test work to the population. When

appropriate, we also used judgmental sampling to improve the overall efficiency of the audit.

We relied on a computer-processed data file of city payroll transactions generated from the PeopleSoft system to review the payroll transactions in our audit scope. We performed direct tests of the data rather than evaluating the system's general and application controls. We do not believe that the absence of testing general and application controls had an effect on the results of our audit.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that Internal Audit plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our audit results and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our audit results and conclusions based on our audit objectives.

Audit Results and Recommendations

A. Compliance with the Fair Labor Standards Act

A.1 Exclusion of Additional Pays and Assignment Pays in the 'Regular Rate'

In some instances, the City did not comply with the Fair Labor Standards Act (FLSA) and City policy in determining a non-exempt civilian² employee's overtime rate. In our review, we noted that most additional pays³ and assignment pays are incorrectly excluded from the 'regular rate' for which overtime pay is based. The City includes shift differential and commercial driver's license (CDL) pay in the calculation; however, supplementary earnings for other licenses are not included.

Under Section 7 (e) of FLSA, an employees' 'regular rate' includes all compensation received except for discretionary bonuses, gifts and payments, contributions by the employer to certain welfare plans and payments made by the employer pursuant to certain profit-sharing, thrift and savings plans. Since additional pay and assignment pay for licenses do not meet the criteria for exclusion, they should be included with other earnings to determine the 'regular rate'.

This occurred because the additional pay codes were not defined to be included in the overtime rate calculation in the City's payroll system. Exclusion of these pays results in underpayments to civilian employees that have additional pay(s) or assignment pay and overtime hours in the same pay period.

Incorrect application of FLSA rules and regulations that results in inaccurate payments to employees is a violation. If an employer is found to be not in compliance with the Act's requirements, the Department of Labor uses a variety of remedies to enforce compliance. When Wage and Hour Division investigators encounter violations, they recommend changes in employment practices and request the payment of any back wages due be made to employees.

Recommendation(s)

Management should ensure that the City's payroll system correctly calculates overtime rates for eligible employees so that the City is in compliance with FLSA. The employee's 'regular rate' should include the employee's hourly rate, plus any additional pays, or shift differential pay then divide by the total number of hours worked per week. This provides the employee's 'regular rate' which can be used to calculate the overtime premium for that workweek.

² A civilian employee for the City of Corpus Christi is an employee in a civil servant position that is not classified as Fire or Police Department personnel subject to a contractual agreement.

³ Non-exempt employees receive additional compensation for holding such licenses as Commercial Driver's License, Compressed Natural Gas, Master Electrician, and TCEQ. See City Pay Policy on *HR4.0 Classification & Compensation*

➤ *Management's Corrective Action Plan with Completion Date:*

Management acknowledges this finding and concurs that overtime rates for eligible employees must be in compliance with FLSA. As soon as Payroll was made aware of this finding on April 2, 2012, Payroll met with Human Resources and MIS to ensure all additional pays codes were included in the employee's calculation of an overtime premium in the software system. This finding has since been corrected.

As per the Department of Labor, we went back two years from the date we were made aware of the finding to calculate the amount that was paid incorrectly to employees. We have determined that the employees had been underpaid by approximately \$75,000 since April 2010. It is management's intention to correct this underpayment to all affected employees during this time period by June 30, 2012

A.2 Weighted Average Pay Rates

When an employee receives two or more different pay rates, such as assignment pay, in a workweek where they also work overtime, the City does not take a weighted average in determining the 'regular rate'. Currently, the City calculates the assignment pay for non-exempt civilian employees by taking the difference in pay rates and multiplying that by the hours of assignment worked. If overtime hours were worked, the difference in pay rate is multiplied by one and one half to determine the overtime rate and multiplied by the overtime hours worked. Once the assignment pay amount is determined, the employee is then paid a lump sum amount on a subsequent paycheck.

Under FLSA Section 778.115, when an employee works at two or more pay rates in a given work week, the rate of pay is a weighted average of the rates. The weighted average rate of pay should be used to determine the 'regular rate' on which overtime pay is based for the week.

Each workweek stands alone, so if an employee worked at one rate for an entire workweek then a second rate for the following week, the two would not need to be averaged. Application would depend on whether the employee worked at different rates during a single workweek. Incorrect calculations can result in underpayment to City employees, a FLSA violation.

According to management, the City's calculation method was grounded on common practice for paying assignment pay.

Recommendation(s)

Management should ensure that employees who work overtime and work at two or more different pay rates in a workweek are paid overtime in compliance with FLSA.

➤ *Management's Corrective Action Plan with Completion Date:*

Management acknowledges this finding and concurs that employees who work overtime and work at two or more different pay rates in a workweek are to be paid overtime in compliance

with FLSA. As soon as Payroll was made aware of this finding on April 2, 2012, Payroll collaborated with Human Resources to correct this finding, and has since been corrected. It is management's intention to correct all underpayments over the last two years as per the Department of Labor to all affected employees during this time period by July 31, 2012.

A.3 'Regular Rate' Calculation

The City is not using the most economical method in calculating a civilian employee's 'regular rate' in which overtime is based. According to Title 29, Part 778, Section 778.109 of the Code of Federal Regulations (Code), the regular hourly rate of pay of an employee is determined by dividing the total compensation for employment (except statutory exclusions) in any workweek by the total number of hours actually worked in that workweek.

The difference in methods has a financial impact when the employee has overtime and receives additional compensation for licenses, assignment pay, or shift differential during a workweek. While it is not in violation of the Code to overpay employees, there is a potential cost savings to the City should they decide to follow the FLSA method. See *Appendix A* for a comparison example of the City and FLSA calculation.

According to Management, this has been the common practice for calculating overtime pay.

Recommendation(s)

City Management should ensure that an employee's 'regular rate' on which overtime pay is based complies with the Fair Labor Standards Act for non-exempt civilian employees. However, should the City decide to continue to calculate overtime using its current method, they should consider formally documenting such a statement into City policy.

➤ *Management's Corrective Action Plan with Completion Date:*

Management acknowledges this finding and agrees that changing the City's methodology for calculating overtime for non-exempt civilian employees would be more economical. It is management's intention to implement this change beginning July 2, 2012.

B. Compliance with Internal Revenue Code

Appropriate controls are not in place to ensure that part-time, temporary, and seasonal employees enrolled in the FICA Alternative Program (FATP) are complying with Internal Revenue Code 457(b). In our review, we found 279 payroll checks totaling \$98,986 with no FATP deduction. These payroll checks should have had the proper FATP deduction with the amount contributed into the employees' respective 457 retirement plan.

In 2008, the City elected to establish a FICA Alternative Program for part-time, temporary, and seasonal city employees as a replacement to the social security program. The 3121 FICA Social Security Alternative Plan is structured as an Internal Revenue Code Section 457 plan and requires a 7.5 percent contribution of pre-tax gross

wages. The employee is the sole contributor to the plan. By opting to have a social security replacement program, the City does not pay the 6.2% employer portion of social security payroll taxes.

This occurrence is in part due to a system timing issue in regards to terminating and re-enrolling an employee in benefits and when those benefits are applied in a given payroll cycle.

Enrollment delays into FATP results in non-compliance with IRC 457 plan and underfunding of the employee's retirement account. The Internal Revenue Service could enforce a correction method that includes restoration of current and former participants and beneficiaries to the benefits and rights they would have had if the failure had not occurred.

Recommendation(s)

City Management should:

- 1) Ensure that the City complies with terms of the 457(b) plan. One method to consider is to generate exception reports for each pay period to identify part-time, seasonal, or temporary employees whose payroll checks do not having FATP withholdings.
- 2) Coordinate with the City's 457 Plan Administrator to determine restoration amounts due since the plans establishment for current and former part-time, temporary, and seasonal employees participating in the plan.
- 3) Contact the State Social Security Administrator for assistance on former part-time, temporary, and seasonal employees not enrolled in the plan.

➤ *Management's Corrective Action Plan with Completion Date:*

Management acknowledges this finding and concurs that the City must comply with the terms of the 457(b) plan. As soon as Payroll was made aware of this finding on April 2, 2012, Payroll collaborated with Human Resources and MIS to create an exception report to be run before each pay period to identify part-time, seasonal, or temporary employees whose payroll checks would not have FATP withholdings.

In calculating the amount that was paid incorrectly to employees since the inception of the FATP program in 2008, we have determined that \$21,559.92 of contributions to the 457(b) plan were not made for 257 part-time, seasonal, or temporary employees. It is management's intention to coordinate with the City's 457 Plan Administrator to restore all amounts due to employees or former employees since the inception of the FATP program because of this omission by July 31, 2012. We will contact the State Social Security Administration for assistance on correcting underpayments for those employees that were never enrolled in FATP while employed if applicable.

C. Maintenance of Payroll Records and Lack of Overtime Policy

The City is not adequately maintaining supporting payroll documentation for employees in accordance with the records retention schedule and City policy. We selected a random attribute sample of 69 payroll transactions for testing. The statistical sample of 69 paychecks reviewed, showed that 35 or 51% did not have supporting documentation on file. Specifically, we noted the following:

- 28% did not have a properly approved Leave Request Form on file.
- 51% did not have properly approved KRONOS time edit support on file. We noted one employee in our sample, approving their own edits and another whose entire work schedule was edited. Further examination showed this was a common practice for this employee.
- 15% did not have overtime support forms on file. Overtime for employees is not consistently authorized since there is no City policy requiring the approval and documentation of overtime hours worked. See Appendix B for analysis on City overtime costs
- 5% did not have support to substantiate pay rate increases or additional pays, which is required by City policy. Per Employment Policy HR 3.0, maintenance of compensation data, such as pay increases, for active and inactive personnel falls under the purview of Human Resources.

According to the records control schedule on file with the Texas State Library and Archives Commissions, time change reports must be retained for the period of four years from the end of the fiscal year. Records related to payroll actions, such as pay increases, are permanent records. No local government office may dispose of a record listed in the retention schedule prior to the expiration of its retention period. Anyone doing so without legal authorization may be *subject to criminal penalties and fines under the Public Information Act (Government Code, Chapter 552)*.

Recommendation(s)

City Management should:

- 1) Ensure that supporting payroll records and personnel records are properly approved and maintained in compliance with the Texas State Library and Archives Commission.
- 2) Develop overtime procedures that require overtime be approved, documented, and maintained in accordance to the Texas State Library and Archives Commission. Documentation of overtime will help management assess whether overtime is necessary or avoidable.

➤ *Management's Corrective Action Plan with Completion Date:*

Management acknowledges this finding and concurs that the City must obtain and retain the appropriate payroll records in accordance with the Texas State Library and Archives Commission. Since the payroll consolidation in March 2011, Payroll has been standardizing process and procedures regarding payroll city-wide. Payroll will work with Human Resources and the departments in developing written overtime procedures that require

overtime be approved, documented and maintained in accordance to the Texas State Library and Archives Commission. These procedures will be in place by June 30, 2012.

D. Payroll Account Signature Rights

The City is not retaining current bank signature cards. In our review, we noted a former Interim Assistant City Manager still listed on the signature cards for the payroll bank account and other City bank accounts as well. As of April 20, 2012, they remained a signatory on 14 of the 17 City bank accounts even though their employment with the City terminated in February 2011. When an employee of a local government entity or public official with check-signing authority no longer has that authority, that person's name should be removed immediately from the entity's bank signature cards. This is a key internal control designed to manage and reduce the risk of a theft of public funds.

Recommendation(s)

City Management should ensure that bank signature cards are kept current at all times for all City bank accounts. Signature cards and authority levels should be reviewed annually or whenever any changes occur. Individuals with bank transaction authority should be removed immediately upon resignation or termination.

➤ *Management's Corrective Action Plan with Completion Date:*

Management acknowledges this finding and concurs that bank signature cards must be kept current at all times for all City bank accounts. As soon as the City's Treasury Division was made aware of this finding on April 20, 2012, they immediately called the City's depository and had any former employee's names removed from all bank signature cards. This finding has since been corrected. In the future, any changes to the bank signature cards will be made by the City Treasurer within 2 business days of resignation or termination of an individual with bank transaction authority.

Appendix A –Overtime Calculation Example

Example: An employee worked a total of 100 hours (80 regular hours and 20 overtime hours) in a two-week pay period as follows: week 1 - 40 regular hours with 5 hours of overtime; week 2 - 40 regular hours with 15 hours of overtime. The employee’s hourly base rate is \$18.50 and receives additional pay of \$160 for having a Commercial Driver's License (CDL).

		Straight Time Earnings ¹	Additional Pay	Regular Rate ³	Overtime pay ⁵	Total Straight Time Earnings and Overtime Pay
City	Both Weeks	\$1,480.00	\$160	\$20.50	\$615.00	\$2,255.00
FLSA	Week 1	^{2a} \$832.50	\$80	^{4a} \$20.28	^{6a} \$50.70	\$963.20
	Week 2	^{2b} \$1,017.50	\$80	^{4b} \$19.95	\$149.63	\$1,247.13
	Total	\$1,850.00	\$160		\$200.33	\$2,210.33

Difference \$44.68

Straight Time Earnings:

- ^{1a} Base Rate (\$18.50) * 80 hours (two weeks) = \$1,480
- ^{2a} Base Rate (\$18.50) * total hours worked for week 1 (45) = \$832.50
- ^{2b} Base Rate (\$18.50) * total hours worked for week 2 (55) = \$1,017.50

Regular Rate:

- ³ Straight time earnings (\$1,480) + additional pay (\$160) divided by 80 hours = \$20.50

Per FLSA, the regular rate includes all payments made by the employer to or on behalf of the employee (except certain statutory exclusions) and dividing the total by the number of hours the employee worked in that week.

- ^{4a} Straight time earnings (\$832.50) + additional pay (\$80) divided by total hours worked (45) = \$20.28
- ^{4b} Straight time earnings (\$1,017.50) + additional pay (\$80) divided by total hours worked (55) = \$19.95

Overtime Pay

- ⁵ Regular rate (\$20.5) * one and one-half (1.5) * overtime hours (20) = \$615

The straight-time earnings have already been calculated for all hours worked, so the additional amount to be calculated for each overtime hour worked (the overtime premium pay) is one-half the regular rate of pay.

- ^{6a} Regular rate (\$20.28) * .5 * overtime hours for week 1 (5) = \$50.70
- ^{6b} Regular rate (\$19.95) * .5 * overtime hours for week 2 (15) = \$149.63

The City overpaid the employee by \$45 in this pay period.

Appendix B – Exhibits of Overtime Analysis

In 2011, the City incurred a total of \$140,907,946 in payroll costs of which \$7,865,714 or 6% was for overtime expenditures. The following exhibits are analysis of overtime and serve as additional information for management’s use.

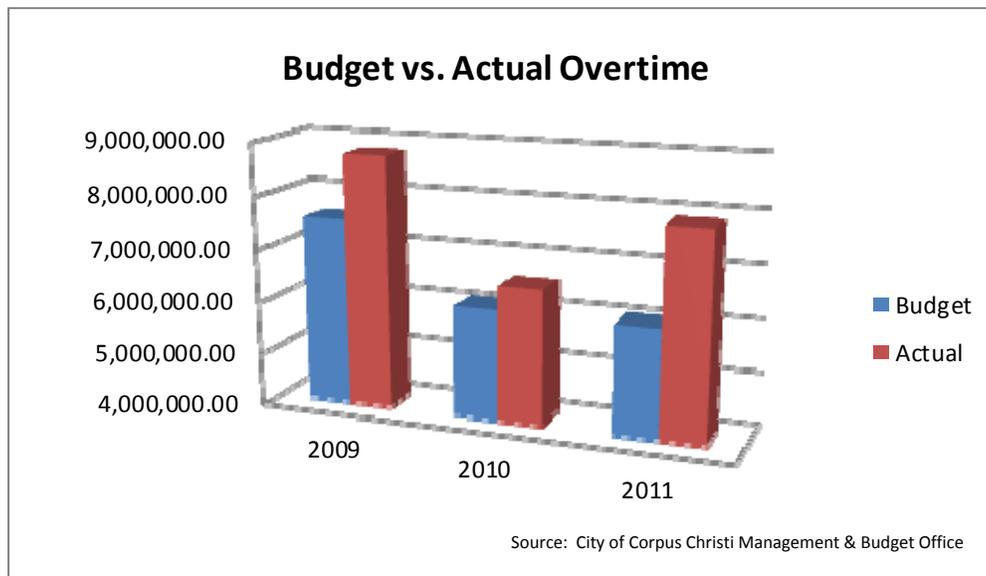
Budget vs. Actual Overtime Costs

A budget is a financial management tool. Variances between budget and actual amounts help identify changes in operations or emphasize operational needs. City Management should ensure that overtime costs be budgeted at levels more reflective of the City’s needs.

From 2009 to 2011, the City has exceeded overtime total budget amounts. In FY 2011, actual total overtime expenditures exceeded budgeted amounts by \$1.8 million or 30 percent and 8% and 16% for fiscal years 2010 and 2009, respectively.

The following table compares budgeted overtime to actual overtime for the last three fiscal years.

Exhibit A



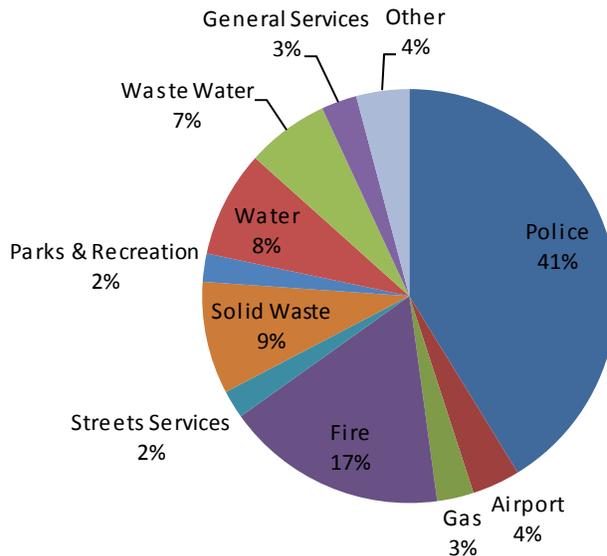
Allocation of Overtime by Department

The Police Department represented \$3.2 million or 41 percent of the total overtime expenditures for the City. The Fire Department, Solid Waste, Water, and Waste Water Departments combined accounted for another \$3.2 million.

The chart below shows overtime allocation costs by department. Good management of overtime requires that overtime needs to be assessed, alternative methods of meeting or eliminating these needs be considered and appropriate action plans developed.

Exhibit B

**FY 2011 Department Allocation of Overtime Cost
(Total \$7,865,714)**



Source: City of Corpus Christi Management & Budget Office

Top 10 Civilian Earners and Hours Worked

High overtime levels for extended hours of operations can lead to increased stress, fatigue, absenteeism and high turnover, all of which are factors that can compromise workplace health and safety.

Exhibit C shows the top ten non-exempt civilian employees receiving overtime pay for Fiscal Year 2011. The table also shows overtime pay as a percentage of annual salaries for these employees. Some of these employees had overtime pay equal up to 81% of their annual salaries.

Exhibit D shows the top ten non-exempt civilian employees with overtime hours worked in Fiscal Year 2011. Some employees had overtime hours that could be equivalent to a 7-month regular full-time work schedule. The table below shows the top ten non-exempt civilian employees annual overtime hours for Fiscal Year 2011.

Exhibit C

Employee	Compensation			
	Annual Base Pay*	Overtime (OT) Pay	Base & Overtime Pay	OT as a % of Base Pay
A	\$46,342.40	\$36,571.74	\$82,914.14	79%
B	\$38,438.40	\$31,257.66	\$69,696.06	81%
C	\$40,352.00	\$22,394.83	\$62,746.83	55%
D	\$36,254.40	\$22,233.94	\$58,488.34	61%
E	\$38,438.40	\$21,555.73	\$59,994.13	56%
F	\$47,611.20	\$21,236.82	\$68,848.02	45%
G	\$45,760.00	\$20,250.67	\$66,010.67	44%
H	\$34,320.00	\$20,212.82	\$54,532.82	59%
I	\$43,035.20	\$20,171.53	\$63,206.73	47%
J	\$34,320.00	\$19,620.81	\$53,940.81	57%

* Annual Base Salary does not include fringe benefits or any additional pays

Exhibit D

Employee*	Overtime Hours	Overtime Compensation
A	1,094.25	\$36,571.74
B	1,086.75	\$31,257.66
K	830.50	\$16,573.13
D	815.25	\$22,233.94
L	802.00	\$18,461.18
C	772.00	\$22,394.83
E	759.25	\$21,555.73
J	747.50	\$19,620.81
H	731.75	\$20,212.82
M	693.50	\$16,854.98

*Corresponds with employee in Exhibit C where applicable

Top Four Police Earners

In FY 2011, the Police Department overtime expense represented approximately 41% of the City's overtime expenditure. The average number of overtime hours paid for a police officer was 148 hours; however, some police officers greatly exceeded this average. The table below shows the top 4 police officers with the highest overtime hours paid.

Exhibit E

Employee	Overtime Hours	Annual Base Salary*	Overtime Compensation	Total
A	1,178.5	\$54,704.00	\$44,945.32	\$99,649.32
B	768.0	\$77,022.40	\$42,920.61	\$119,943.01
C	752.0	\$66,435.20	\$34,049.20	\$100,484.40
D	617.5	\$66,435.20	\$28,325.06	\$94,760.26

* Annual Base Salary does not include fringe benefits, longevity, assignment pay, or any other additional pays

Top Four Fire Earners

In FY 2011, the Fire Department overtime expense represented approximately 17% of the City's overtime expenditure. The average number of overtime hours paid for a firefighter was 119 hours. The table below shows the top 4 firefighters with the highest overtime hours paid.

Exhibit F

Employee	Overtime Hours	Annual Base Salary*	Overtime Compensation	Total
A	279.0	\$80,496.00	\$12,144.00	\$92,640.00
B	248.0	\$66,432.00	\$8,100.00	\$74,532.00
C	244.0	\$55,148.00	\$7,549.00	\$62,697.00
D	232.0	\$56,940.00	\$7,334.00	\$64,274.00

* Annual Base Salary does not include fringe benefits, longevity, assignment pay, or any other additional pays