



Bates Group Analysis of Potential Overpayment of Compensation to City of Corona Employees

February 25, 2021

The City of Corona (“City”) engaged Bates Group LLC (“Bates”) to analyze its time keeping and payroll records in order to assess and calculate potential overpayment of compensation to its employees from August 5, 2017 through August 14, 2020 (“analysis period”). Bates Group LLC is an independent and privately owned consulting firm based in Lake Oswego, Oregon.

Scope

Bates calculated how certain forms of compensation should have been paid and compared it to how they were paid, in order to determine potential overpayment of compensation to City employees. The analysis and calculations were based on various types of documents, data, and information from the City, listed below. Members of the Finance and Payroll departments were the primary points of contact for questions regarding the documents and data, as well as City practices and procedures.

Bates reviewed all active employees during the analysis period.

Data and Documents Provided to Bates

The following lists the types of data and documentation provided, reviewed, and utilized in the analysis to the extent it was relevant and possible to incorporate:

1. Memoranda of Understanding and Resolutions relevant to the analysis period for: Corona Firefighters Association IAFF Local #3757 (“CFA”), Corona Police Employees Association (“CPEA”), Corona Police Supervisors Association (“CPSA”), Corona General Employees Association (“CGEA”), and Corona Supervisors Association (“CSA”), Non-Represented Management/Confidential Group Employees (“M&C”) and Non-Represented Executive Group Employees (“EXEC”)
2. Time keeping data, in various formats
3. Paystub data in electronic format
4. List of payroll codes with notes and information
5. Fire shift calendars
6. Explanation of department time reporting types

7. Employee prelists
8. Prior period adjustment worksheets
9. Employee reimbursement worksheets
10. Employee list with employee information
11. Pay class legend
12. Salary Table
13. Payroll schedule
14. Workbook showing the City's calculations of compensation and changes to calculations for a sample of employees.¹

General Parameters of Analysis

1. The review and analysis of all employees was organized by bargaining unit or groups:
 - a) CFA 56HR Employees & 40HR Fire Captains²
 - b) CFA 40HR Employees
 - c) CPEA
 - d) CPSA
 - e) CGEA
 - f) CSA
 - g) Corona M&C Group
 - h) Unrepresented employees (no bargaining unit or group)
 - i) Elected Officials
 - j) Executive Group

¹ Bates reviewed this worksheet with the City in order to understand how the City has been calculating compensation for each unit and how certain calculations should change. It is my understanding that the changes were determined in consultation with Liebert Cassidy Whitmore. Bates relied on this workbook to identify which forms of compensation needed to be recalculated and how they are to be recalculated.

² The 40HR Fire Captains are included in the analysis that contains 56HR suppression employees because when these Fire Captains worked overtime, it was in a 56HR suppression capacity.

2. The types of compensation that required recalculation were discussed with the City and identified as the following:
 - a) Special pays that are calculated as a percentage of wages (“percentage-based special pays”).³
 - b) Holiday premium compensation
 - c) Contractual overtime rate
 - d) Contractual overtime & contractual holiday overtime compensation
 - e) FLSA⁴ overtime rate
 - f) FLSA overtime & FLSA holiday overtime compensation
 - g) Court 1.5 overtime compensation
 - h) CFA 56HR regular rate of pay (“RRP”)
 - i) Fire suppression contractual overtime compensation
 - j) Fire FLSA overtime
 - k) Fire FLSA overtime premium
 - l) Fire paramedic overtime
3. The City’s standard work week is Saturday to Friday. There are some employees who work a “flex” schedule which can be either: noon on Monday to noon Monday or noon on Friday to noon Friday.
4. For all units/groups other than CFA members on a 56-hr suppression schedule, the City calculates overtime compensation on a weekly basis.
5. For members of CFA on a 56-hr suppression schedule, the City calculates contractual overtime and “built-in”⁵ FLSA overtime compensation on a pay period basis. Additionally, Fire FLSA overtime premium compensation is calculated by the City at the end of every 24-day FLSA 207(k)⁶ work period.

³ This does not include Special Pays that are fixed amounts, which were not recalculated in this analysis.

⁴ Fair Labor Standards Act.

⁵ This refers to the 6 hours of FLSA overtime that are part of members’ regularly scheduled shift work.

⁶ 29 U.S.C. § 207(k).

6. Bates understands that the City does not have concerns that the calculation of overtime hours recorded and paid was done incorrectly, so the analysis relies on the hours as they are categorized in the paystub and time keeping data provided.
7. All relevant pay and time codes for the analysis were identified for each unit/group with assistance from the City. While there are similarities in the ways in which employees were compensated across units/groups, they can utilize different sets of pay and time codes and there are some differences in the calculation of certain types of compensation between units/groups. Therefore, Bates reviewed the various codes and calculations for the individual units/groups with the City.

Conclusion

None of the members of the Elected Officials group were paid overtime or received special pays that were relevant to the analysis. Therefore, it was determined that there was no overpayment of compensation to these employees.

Only one member of the Executive group received percentage-based special pays for a few pay periods in 2017 that were relevant to the analysis. After review of these special pays for this member, it was determined that they were paid correctly. Therefore, there was no overpayment of compensation to the Executive group.

Bates has calculated the total overpayment of compensation to be \$1,857,263.75, broken down by bargaining unit/group as follows:

CFA 56HR & 40HR Cpts	CFA 40HR EEs	CPEA	CPSA	CGEA	CSA	M&C	Unrep.	Total
\$1,115,923.61	\$3,714.74	\$362,441.15	\$28,212.40	\$313,654.50	\$30,479.20	\$2,784.55	\$53.60	\$1,857,263.75