



LUMPKIN COUNTY COMMUNITY AND EMPLOYEE SERVICES

December 3, 2015

Agenda Item:

2016 COLA Implementation

Facts & Historical Information:

The previously approved 2016 budget includes a 3% COLA that goes into effect along with the new fiscal year beginning January 1, 2016. The county pays its employees on a bi-weekly basis. The pay period that includes the new pay rate actually starts on December 27, 2015, meaning that two different pay rates will be in effect for that pay period. When a pay period includes split pay rates, there are challenges incurred.

- Once benefit costs, taxes, etc. are deducted, net pay is always smaller than the gross; add in one pay rate for the first five days of the pay period and a different pay rate for the last nine days of the pay period and it may be difficult for employees to see that they received an increase.
- Paying at two different rates during one pay period requires manual entries and/or running two payrolls. While these options can be accomplished, they are cumbersome and open the payroll up to greater possibilities for errors. Manual adjustments, manual entries, and multiple entries for between 250 – 300 employees simply = more opportunities for error.

Potential Courses of Action:

- A. Approve the implementation of the 3% COLA prior to the beginning of the 2016 fiscal year. Begin the 3% increase as of December 27, 2015.
- B. Continue the implementation of the 3% COLA with a January 1, 2016, start date.

Compare and Contrast:

Course A addresses the concerns of employees not being able to see the total impact of an increase as well as avoiding the opportunity for errors that multiple manual entries creates. This course will have a small, unbudgeted impact for FY 2015.

Course B avoids any 2015 budget impact but fails to address the above-mentioned concerns.

Budget Impact:

Course A – The estimated unbudgeted impact for 2015 is expected to be no more than \$5,000.

Course B – No budget impact.

Staff Recommendation:

Course A.

Alicia Davis

Director, Community and Employee Services