



Agenda Date: 1/23/2007
Agenda Placement: 6H

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Olivia Soria for Mark Gregersen - Director
Human Resources
REPORT BY: Quinn Johnston, Principal HR Analyst, 259-8720
SUBJECT: Side Letter Agreement for the Recoupment of Overpayments

RECOMMENDATION

Human Resources Director requests adoption of a resolution approving a Side Letter Agreement with SEIU Local 614 - NAPE authorizing the recoupment of overpayments made to specified County employees.

EXECUTIVE SUMMARY

A number of overpayments made to specified County employees have been identified that require recoupment by the County. To avoid small claims actions by the County, as well as Gift of Public Funds issues, SEIU Local 614 – NAPE and Human Resources, in concert with the Auditor-Controller staff, have tentatively agreed to a repayment mechanism by which overpaid employees could convert vacation time, overtime and compensatory time off to cash to make the repayment to the County.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Employee payments to the County via conversion of accumulated overtime, accrued vacation leave and compensatory time off to cash.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Overpayments to employees have occurred through no fault of the employee. Hardship that speedy repayment may cause can be mitigated by allowing conversion of accrued leave to cash in order to repay the County.
Is the general fund affected?	No

Future fiscal impact: None

Consequences if not approved: Due to the amount of money involved, some employees may experience hardship in repaying the County.

Additional Information: None

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Overpayments to Napa County employees occasionally occur through no fault of the employee. These overpayments may be the result of data input errors or system-related problems. A number of overpayments to specified County employees have been identified in the following areas: health-in-lieu program offered by the County; MediCare deductions not being made; health plan deductions not being made; the equivalent of full-time health-in-lieu amounts paid to part-time employees; and incorrect incentive pay being paid to employees. Overpayments range from \$40 to almost \$9,000.

In order to avoid a gift of public funds, the County is obligated to recoup such overpayments. Specified County employees have entered into repayment agreements with the Auditor-Controller's Office and have commenced repayment through scheduled payroll deductions. Given the hardship that speedy repayment could mean for some employees because of the amount of money involved, SEIU Local 614 - NAPE and the County's Human Resources Department have tentatively agreed to a mechanism for employees to make a repayment. Napa County Human Resources and SEIU Local 614 - NAPE have agreed, in principle, to a repayment mechanism that would allow employees who have been overpaid to convert accumulated overtime hours, vacation leave and compensatory time off to cash in order to repay the County.

In many cases, the overpayment can be recouped by a one time conversion of eligible accumulated vacation, overtime and compensatory time. In other cases, the conversion of said time would significantly reduce the employees' financial obligation to the County and facilitate a reasonable repayment schedule via payroll deductions for any outstanding balance.

The Side Letter Agreement between SEIU Local 614 - NAPE and Human Resources would remain in effect for the remainder of the fiscal year, at which time it would expire on June 30, 2007, unless all parties agree to an extension.

SUPPORTING DOCUMENTS

- A . Overpayments Resolution
- B . Overpayments Side Letter Agreement

CEO Recommendation: Approve

Reviewed By: Karen Gratton