



TOWNtalk

A newsletter for Town of Chapel Hill employees

June 11, 2007

Special Issue

www.townofchapelhill.org

An Update to Employees on Payroll Changes from Town Manager Roger L. Stancil

In response to the feedback and concerns expressed by many of our employees with regard to the Town's payroll processing system, I am announcing the following:

- We will not pursue requiring employees to change from weekly to biweekly pay.
- We will not pursue changing the payroll period at this time.
- All new employees will be required to sign up for direct deposit of their paychecks.
- Insurance will be deducted twice per month rather than every paycheck.

To ensure the smooth functioning of the Town's payroll processing system, I received early recommendations from the Finance Department staff, along with some departmental representatives who maintain and report payroll. The Senior Management Team agreed we should pursue the ideas. A Payroll Transition Team was put together to work through the details and communicate with employees about the proposed changes. Upon hearing a preliminary report, the Town Council agreed we should explore the ideas.

We listened to you. We are working to learn from what we did right and what we can improve in our processes for considering change. Next time a proposal surfaces that affects you, we intend to better involve you early in the process so we can be sure we hear your concerns and involve you in finding solutions. That is the kind of place I want to work.

While proposed changes to the payroll period could ensure more accurate paychecks for you, we need to work on the details so we can be assured no one is adversely affected. You will have a continuing opportunity to be a part of these discussions. Nothing will change until I am confident that we have communicated well and we have reached a good balance of our organizational interests and your personal concerns. We will only proceed with this initiative if we achieve that goal and after we discuss the idea fully with you and the Town Council.

In my meetings with you, you made some compelling arguments why we ought to take some time and rethink the proposal for the change from weekly to biweekly payroll. Nothing will change until I am confident that we have communicated well and we have reached a good balance of our organizational interests and your personal concerns. We will continue to encourage employees to voluntarily change to biweekly pay as they can. Anyone who voluntarily changed to the biweekly payroll after April 1, 2007, will receive the \$50 gas card, which we announced as an incentive to make this switch. We will continue to offer this incentive to encourage employees to change to the biweekly payroll.

I appreciate your helping me work through these decisions. We will continue to seek ways we can ensure you get an accurate paycheck in an efficient manner. We learned a lot in this process, and I assure you that we will get better at involving people in decisions that affect them.

KEY DATES

for Payroll Changes

July 1, 2007:

New employees will be required to sign up for direct deposit of their paychecks. With direct deposit, the paycheck is sent directly into your bank account.

August 2007:

Payroll deductions for insurance will be taken over 24 pay periods for biweekly employees and 48 pay periods for weekly employees. The total amount taken for insurance will remain the same. In the months that have three biweekly payrolls, no insurance deduction will be taken in the "extra" check. The Aug. 31 paycheck for all employees will not include insurance deductions.

October 2007:

The Council has expressed its support for 4% pay increases for employees, which would become effective in fall pending adoption of the Town budget.