



TOWNtalk

A newsletter for Town of Chapel Hill employees

May 10, 2010

Special Issue

www.townofchapelhill.org

Letter to Employees about the Recommended Budget from Town Manager Roger L. Stancil

Dear Fellow Employees,

I will present a proposed 2010-11 budget to the Town Council at its regular meeting tonight, May 10. I want to share with you the important parts of this budget that directly affect you. The budget is scheduled for adoption on June 7, after review by the Council.

The Town's ability to maintain a high level of service delivery and high customer satisfaction, as shown in the recent community survey, is directly attributable to the quality of our workforce. Thank you for your work and dedication.

To read more detail about the budget, please visit www.townofchapelhill.org/budget or request to view a print copy from your departmental offices.

One-Time Payment

In the proposed budget, regular employees would receive a one-time lump sum payment of \$800, an amount that would be pro-rated for part-time employees. This dollar amount was calculated as an amount equivalent to 2 percent of the median employee's annual pay. Each employee will receive the same dollar amount.

This \$800 amount would be paid in one lump sum and, it would not become part of the employee's base pay. Employees hired on or before June 30, 2010, would be eligible to receive the payment, which will be subject to usual payroll deductions.

I am pleased that the Town of Chapel Hill has incurred no layoffs and no furloughs, although many positions have been left vacant in the past two years. I realize it is your hard work that makes it possible to deliver high quality services in the face of so many vacant positions.

Health Insurance Changes

In recent years, the increasing costs of health insurance have made it very difficult to maintain the Town's benefit package. The current budget included a 17.1 percent increase in health insurance costs. Next year's budget prepares for a 13.9 percent increase.

As you know, I convened a task force of employees to learn about the challenges of healthcare costs and to think together about changes to our plan. These conversations helped lead me to a decision. I intend to continue conversations with this group into the future. We developed some interesting solutions, including the creation of an on-site health care facility and continued support of our employee wellness initiative.

There will be a 13.9 percent increase to employee-family coverage plans, which for full-time employees would equate to an increase of between \$29 and \$59 monthly depending upon your plan. In addition, there will be increases to co-pays (\$10 to \$20 for regular doctor visits; \$20 to \$40 for specialists, \$20 to \$40 for urgent care, and \$100 to \$150 for emergency room).

State Pension Plan

The proposed budget includes a 32 percent increase in the employer contribution to the Local Government Employees Retirement System (LGERS). This increased contribution is required by the state due to poor investment performance of the state pension plan over the past two years. There is no increase in the employee share.