



Legislation Details (With Text)

File #:	40128	Version:	3	Name:	City payroll processing period
Type:	Ordinance	Status:	Passed		
File created:	9/14/2015	In control:	BOARD OF ESTIMATES (ended 4/2017)		
On agenda:	10/20/2015	Final action:	10/20/2015		
Enactment date:	10/29/2015	Enactment #:	ORD-15-00111		
Title:	2nd SUBSTITUTE Amending Section 4.10 of the Madison General Ordinances to increase the number of days for processing the City payroll.				
Sponsors:	Paul R. Soglin				
Indexes:					
Code sections:					
Attachments:	1. 2nd Substitute Body, 2. Substitute Body, 3. Body				

Date	Ver.	Action By	Action	Result
10/20/2015	3	COMMON COUNCIL	Adopt	Pass
10/14/2015	3	COMMITTEE ON EMPLOYEE RELATIONS	Return to Lead with the Recommendation for Approval	Pass
10/12/2015	3	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
10/12/2015	2	BOARD OF ESTIMATES	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	
9/16/2015	1	BOARD OF ESTIMATES (ended 4/2017)	Referred	
9/15/2015	1	COMMON COUNCIL	Refer	Pass
9/14/2015	1	Attorney's Office/Approval Group	Referred for Introduction	

Fiscal Note

No appropriation required. Central Payroll may make pay advances under a hardship program; these funds will be recovered in subsequent pay checks. Overtime and compensated time off costs in certain agencies are expected to decrease by an estimated \$100,000 annually. Agencies primarily affected include Police, Fire, Engineering and Metro Transit.

Title

2nd SUBSTITUTE Amending Section 4.10 of the Madison General Ordinances to increase the number of days for processing the City payroll.

Body

DRAFTER'S ANALYSIS: Under the current ordinance, the City pay period ends on a Saturday and employees are paid on the subsequent Friday. This schedule only allows two days to perform timekeeping functions within City Agencies. Under the proposed ordinance change, the pay period would end on a Saturday but City employees would be paid on the second subsequent Friday which allows payroll clerks and management in City agencies seven days to complete the timekeeping/certification responsibilities for payroll, instead of two. This seven-day processing period is comparable to most large employers including the State of Wisconsin and Dane County. **While the processing period is increasing, employees will still be paid every two weeks as has been the longstanding City practice.**

The additional five days of processing time reduces overtime costs for the City particularly in larger departments like Police, Fire, Metro and Engineering. Increasing processing time will also enhance the accuracy of paychecks because it ensures that employees have sufficient time to report hours worked or

compensated absence accrual use on the final days of the pay period. Further it provides supervisors, managers and payroll clerks sufficient time to validate those reported hours to ensure accuracy before Department/Division heads certify payroll. The additional time also allows worker's compensation incident reports to be processed by our Third Party Administrator ensuring employees are receiving worker's compensation payments on time. Increasing processing time for benefit deductions and elections of new benefits nearly eliminates the need to double up on deductions due to delayed paperwork. The City is able to make the change in April 2016 to accomplish these goals expediently. The change assures employees retain 26 pay checks throughout the year so the change will not affect the employee's annual earnings (reported on their W-2) or their Wisconsin Retirement System reportable earnings. The intention is to minimize the number of days without a paycheck consistent at 17 or 18 days. Permanent full time and permanent part time employees can submit paperwork to obtain a temporary loan up to \$500 on Friday, April 15 2016. This paperwork is a signed agreement between the employee and the City requesting the loan and acknowledging need for repayment. This repayment would be facilitated by 6 equal payroll deductions in 2016 on the following paychecks: May 6, May 20, June 3, June 17, and July 1 and July 15. In the event the employee does not have sufficient pay to cover this deduction on one of the aforementioned dates, the repayment will extend to further paycheck dates until repaid. In the event the employee ceases to work for the City any loan amount owed will be deducted from the employee's final paycheck including any accrued vacation. The agreement will be available to employees from each department's payroll clerk or through Central Payroll office directly. The agreement must be signed in the presence of the payroll clerk or Central Payroll staff to be valid. Those agreements must be received by Central Payroll before March 18, 2016.

Please see "2nd Substitute Body" in Attachments.