

LEGISTAR # 40128 – Substitute 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 January 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, January 22, 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 4 equal payroll deductions in 2016 on the following paychecks: February 12, February 26, March 11 and March 25. 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 December 11, 2015.

The Common Council of the City of Madison do hereby ordain as follows:

Section 4.10 entitled "Biweekly Payday for City Employees" of the Madison General Ordinances is amended to read as follows:

"4.10 BIWEEKLY PAYDAY FOR CITY EMPLOYEES.

- (1) All employees of the City of Madison, including members of the Police and Fire Department and employees of all other branches of City administration and government, where the expenditure of funds of such department is subject to the control of the Common Council, shall be paid biweekly on the Friday ~~following the occurring~~ two weeks ~~services completed and to be compensated for or on the preceding work day~~ after the end of the biweekly work week. ~~if said the Friday falls on a holiday, then employees shall be paid on the preceding work day.~~ As

used in this subsection, a week is defined to be that period of time commencing on Sunday and terminating at midnight on the following Saturday. ~~Under the above procedure for payment on a biweekly basis, the initial biweekly period shall commence on Monday, January 1, 1962, and terminate on Saturday at midnight, January 13, 1962.~~ The Finance Director is authorized to make all the necessary adjustments ~~in changing from the semimonthly to the biweekly payday for City employees to add the extra week between pay periods.~~ Although there will be an extra week for payroll processing, all employees of the City of Madison will continue to be paid every two weeks.

- (2) All department and division heads or in their absence or disability their designee shall file with the Finance Director the payrolls required by subsection (1) above indicating thereon the number of days worked by each employee, the number of days of sick leave and vacation taken, the number of hours of overtime worked or compensatory time used, together with such other information as may be prescribed by the Finance Director and the Human Resources Director. Failure to report overtime hours worked or the use of compensatory time off shall constitute just cause for discipline. In the absence or disability of the department or division head and the designee, the payroll shall be certified by the Mayor.”

EDITOR'S NOTE:

Below is the revised calendar for December 2015 through February 2016 incorporating the change of payroll schedule.

DECEMBER 2015							JANUARY 2016							FEBRUARY 2016						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5						1	2		1	2	3	4	5	6
6	7	8	9	10	11	12	3					8	9	7	8	9	10		12	13
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	
20	21	22	23	24	25	26	17	18	19	20	21	22	23	21	22	23	24	25	26	27
27	28	29	30	31			24	25	26	27	28	29	30	28	29					
							31													

Note: Annotations in the original image show a 17-day period from Jan 8 to Jan 25 and an 18-day period from Jan 12 to Feb 26.

For the rest of the 2015 and through 2016 the pay periods and pay days are as follows:

Pay Period	Payday
9/13/15 to 9/26/15	October 2
9/27/15 to 10/10/15	October 16
10/11/15 to 10/24/15	October 30
10/25/15 to 11/7/15	November 13
11/8/15 to 11/21/15	November 25
11/22/15 to 12/5/15	December 11
12/6/15 to 12/19/15	December 23
12/20/15 to 1/02/16	January 8, 2016
1/03/16 to 1/16/16	January 25 (shift to Monday)
1/17/16 to 1/30/16	February 12
1/31/16 to 2/13/16	February 26
2/14/16 to 2/27/16	March 11
2/28/16 to 3/12/16	March 25
3/13/16 to 3/26/16	April 8
3/27/16 to 4/9/16	April 22
4/10/16 to 4/23/16	May 6

4/24/16 to 5/7/16
5/8/16 to 5/21/16
5/22/16 to 6/4/16
6/5/16 to 6/18/16
6/19/16 to 7/2/16
7/3/16 to 7/16/16
7/17/16 to 7/30/16
7/31/16 to 8/13/16
8/14/16 to 8/27/16
8/28/16 to 9/10/16
9/11/16 to 9/24/16
9/25/16 to 10/8/16
10/9/16 to 10/22/16
10/23/16 to 11/5/16
11/6/16 to 11/19/16
11/20/16 to 12/3/16
12/4/16 to 12/17/16
12/18/16 to 12/31/16

May 20
June 3
June 17
July 1
July 15
July 29
August 12
August 26
September 9
September 23
October 7
October 21
November 4
November 18
December 2
December 16
December 30
January 13, 2017