LOWELL PUBLIC SCHOOLS
Henry J. Mroz Administration Office
155 Merrimack Street
Lowell, Massachusetts 01852

Billie Jo Turner
Assistant Superintendent for Finance and Operations

Tel: (978) 674-4325
Fax: (978) 937-7620
E-Mail: bturner@lowell.k12.ma.us

To: Joel Boyd, Superintendent
From: Billie Jo Turner, Assistant Superintendent of Finance/CFO
Date: December 21, 2022
Re: Response to Motion on Bi-weekly Pay Conversion Concerns

Per the motion: "The SC requests a letter to be sent to the City asking to reconsider the starting date of biweekly payroll giving consideration of tax and utility increases plus post-holiday costs and their impact to constituents."

Triggered by the School Committee's motion to formally request the City delay the transition to a biweekly pay cycle, a letter was sent to the City Manager, City CFO and City Auditor requesting a delay due to anticipated fiscal hardship this will cause during the holiday season. Per the attached paper trail, the City Council authorized a delay of several weeks to help alleviate some of this concern. Despite not delaying until July 1st as suggested by the unions, this is a helpful response that balances both the valid concerns of fiscal hardship with the technical requirements already implemented by the City. Please see the paper trail below with attachments provided:

Attachment A – September letter from City CFO explaining the need for this conversion to biweekly pay cycle.

Attachment B – October email sent from LPS Finance to All Staff explaining the upcoming conversion along with shared draft FAQ and Calendar provided by the City

Attachment C – Memo shared with the Superintendent in November and then the School Committee to appraise all of the impending conversion.

Attachment D – Official letter sent to City Auditor at the request of the School Committee to delay the conversion.

Attachment E - Email document from the City CFO confirming the delay of several weeks to help alleviate the fiscal hardship concerns.

Attachment F – Email from LPS Finance Office to All Staff notifying them of the delayed conversion along with a transition schedule and options to address concerns.

Office of the City Manager
City Hall • 375 Merrimack Street • Lowell, MA 01852
P: 978.674.4402 • F: 978.970.4007
www.LowellMA.gov

Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

MEMORANDUM

TO: Thomas A. Golden, Jr., City Manager

FROM: Conor Baldwin, Chief Financial Officer

CC: Kelly Oakes, City Auditor

DATE: September 27, 2022

SUBJECT: INFORMATIONAL – Payroll Update and Bi-Weekly Transition

In April the City Council was provided with a copy of the completed FY2021 audited financial statements and the accompanying management letter from the City's outside audit firm, Powers & Sullivan. Included within the management letter was only one "current year" comment, which recommended "a full review of the internal controls in place surrounding the current payroll process focusing in on areas that need to be strengthened." A subsequent meeting of the City Council's finance subcommittee was held on June 30, 2022, at which a full discussion of the audit and management was held, including discussion surrounding the Administration's plan for implementation of bi-weekly payroll.

Since that time, several efficiencies on the payroll process have been put in place by the finance team, with the support of the City Council, including the following:

1. Introduction of the workflow process in MUNIS for payroll in the school department, which has reduced the volume of paper associated with the weekly payroll entry. Electronic entry and approval would improve efficiencies and reduce the likelihood of errors or irregularities;

2. Adjustment of user permissions in MUNIS, pursuant to the recommendation by Powers & Sullivan, to match employees' access to their job descriptions. These adjustments are part of an ongoing effort, which dovetails with other cybersecurity initiatives by the Administration;

3. The creation of a new payroll position in the City Auditor's Office by the City Council in the FY2023 budget to further aid in the staffing issues which have historically prevented the office from focusing on auditing internal controls, performing periodic internal audits, and spot-checking payroll entries by various departments.

The aforementioned efforts have yielded positive results in the first quarter of FY2023, but the most important initiative this fiscal year will be the transition to bi-weekly payroll. The planned transition will occur in January of Calendar Year 2023 for all city employees.

Attachment A

Office of the City Manager
City Hall • 375 Merrimack Street • Lowell, MA 01852
P: 978.674.4402 • F: 978.970.4007
www.LowellMA.gov

Conor Baldwin
Chief Financial Officer

Austin Ball
Deputy CFO

Enclosed with this memorandum are draft materials to be distributed to employees, including an informational memorandum, a sample calendar of the new payroll cycle, and a list of "frequently asked questions" (FAQ) regarding the transition. These materials will be sent via broadcast email to all employees and to each of the various union officials to notify them and their members of the planned transition within the necessary notice period. As was communicated to the Council in April with the response to the 2021 Audit, January is the least disruptive time of year for payroll to transition.

It will be critical to communicate the pending change to employees in a timely manner and to offer resources to employees to manage the transition. Accordingly, information on the City's employee assistance (EAP) program will be made available in the FAQ for employees who need help planning their personal finances to accommodate the change. The EAP program offers confidential free counseling/support services in a variety of areas, including financial resources. Employees concerned about their financial situation will be encouraged to contact the EAP for support and counseling, which could assist with budgeting. The first bi-weekly paycheck will be received on January 12, 2023 for the pay period December 25, 2022 – January 7, 2023.

The finance department has been meeting regularly to prepare for the implementation, including a series of meetings with the City Hall payroll staff and MUNIS implementers to establish the necessary system changes. In order to further communicate and discuss these details, it is the recommendation of the finance department that this matter be referred to a joint meeting of the City Council and School Committee joint finance subcommittees.

Please let me know if there are any questions on this matter.

Delete Archive Report Reply Reply all Forward Read / Unread Categorize Flag / Unflag Assig

Very Important Notice: Change to Pay Cycle Frequency

You forwarded this message on Wed 12/14/2022 3:34 PM

MJ Menzies-Turner, Billie Jo
To: **All Schools Mail**
Cc: UTL; Marianne Dumont <utlmickie@gmail.com>; Paul Georges

Thu 10/20/2022 12:23 PM

Informational - Biweekly Payr...
369 KB

Hello all,

The City has notified the School Department that they will implement bi-weekly pay starting in early January 2023. The last weekly check will be December 29th. The next check will be January 12th which will include two weeks of pay. Prompted by the external auditors, this change will increase payroll internal controls and the time needed to perform checks and balances to minimize payroll errors. Please note that we want to minimize the impact to our staff by giving you as much notice as possible to prepare for this transition.

As we get updates from the City, we will share such with you. In the meantime, questions can be addressed to the City Auditing Department at 978-674-4080. We will also plan to have "questions and answers" forums in November and December. Please see the attached documents from the City that include frequently asked questions, pay calendar and memos explaining the transition.

Sincerely,
Billie Jo Turner

Reply Reply all Forward

Attachment B

Bi-Weekly Pay: Frequently Asked Questions (FAQ)

Effective January of CY2023, the City of Lowell is changing employees' pay period from weekly pay to bi-weekly pay. The following frequently asked questions have been developed to help employees better understand this change.

Why is the pay period changing and why should I care?

Bi-weekly payroll is the most common pay practice among employers, alleviates many of the challenges presented by weekly pay, and makes good business sense. This change will improve departmental efficiency and productivity allowing departments more time to focus on their core businesses.

What does the pay date change involve?

City employees are currently paid within 5-6 days after the end of the pay period, which is currently based upon one calendar week. Following this change to bi-weekly pay, employees will continue to be paid within 5-6 days after the end of their pay period, which will then be based upon two calendar weeks, instead of just one.

While an individual employee's pay won't change, it may affect cash flow on an individual employee basis, as your pay will be every other Thursday, instead of every Thursday.

What are important pay dates that I should know?

The final weekly payroll payment will be received on December 29, 2022. It will include time worked for the period December 18 – December 24, 2022.

The first bi-weekly paycheck will be received on January 12, 2023 for the pay period December 25, 2022 – January 7, 2023.

Does this mean I will be paid one week less?

No, you will still be paid for every day you work, but instead of receiving your pay every Thursday, you will receive it every other Thursday. The pay date change means employees are paid one week later, not one week less.

Please refer to the Bi-Weekly Pay Transition Calendar to see when you will be paid during the transition period.

When do the bi-weekly pay periods begin and end?

The bi-weekly pay period begins on Sunday at 12:00am and runs for two weeks, ending at midnight on the second Saturday. Payment for each bi-weekly pay period will continue to be received on the Thursday following the end of the pay period.

What is the effect on my annual salary?

There is no change to your annual salary. However, payroll payments will be based on 26 bi-weekly pay cycles per year rather than 52 weekly pay cycles. In ten months of the year there are 2 bi-weekly payroll payments per month. In two months of the year (one in the spring and one in the fall) there are 3 bi-weekly payroll payments.

Will I need to make any changes to my payroll deductions?

If you have a percentage (%) based deduction, nothing needs to be done as it will continue to be a % of a bi-weekly amount. This group of deductions includes the City of Lowell's Retirement System.

Note that Court related items such as garnishments, levies, and child support will continue to be taken on every pay check even if the deductions are voluntary.

You may consider changing your Federal or State tax withholding if you have a flat amount taken out.

Don't forget to review any direct deposit allocations you may have designated to one or more financial institutions.

Please make sure that you carefully review your current payroll deductions, and update your elected deductions in advance of the transition to bi-weekly payroll.

Will these changes affect the tax bracket that I am in now?

No, you will continue to earn the same yearly gross annual amount.

What is the effect on my paid time off (PTO) accruals?

Employees will continue to accrue PTO at the same annual rate, without any changes.

I live paycheck to paycheck, and can't afford to miss one! What support will be provided to employees to avoid hardship?

Your last weekly paycheck will be on December 29, 2022 for the period: December 18 – December 24.

While the next paycheck you receive won't be until January 12, it will be for the period December 25, 2022 – January 7, 2023.

Paychecks will be issued every two weeks thereafter.

The city understands that every employee's financial situation is different. While some employees may have sufficient funds to "cover" them during the one week transition period in which no paycheck will be issued, others may not.

The city participates in an Employee Assistance Program (EAP), which offers confidential free counseling/support services in a variety of areas, including financial resources. Employees concerned about their financial situation are encouraged to contact the EAP for support and counseling, which could assist with budgeting. For additional information about the EAP, please contact the Human Relations Office at 978-674-4105.

If you don't already have a savings account, the city encourages you to consider opening one with either your current bank or the Lowell Municipal Employees Federal Credit Union (LMEFCU) housed at City Hall. Membership in the LMEFCU is free, only requires a $25 deposit to get started, and small deposits weekly between now and January 12, 2023 could help you through that one week transition period

What else should I consider in advance of the change?

Along with you, there are over 4,000 employees who must go through this change.

While most of the work to ensure the smooth transition to the bi-weekly pay cycle will be done in the Payroll office, there are things you can do to help ease the transition.

- Review your current payroll deductions, and make sure that you know which you might need to change.
- Start reviewing your personal circumstances now, and ensure you are able to meet any financial obligations during the transition period and each bi-weekly pay period beyond that.
- Review any automated payment schedules you might have, and consider aligning them with the new bi-weekly pay period.
- Consider reaching out one of the Employee Assistance Program available to you for assistance with financial resource planning.

If you aren't already participating in payroll direct deposit and electronic payroll advices, consider signing up. This not only ensures that your paycheck funds are available at your financial institution on payday, it also provides you an electronic copy of your paystub in advance of payday for you to review.

Who do I contact with questions?

The Auditing Office at 978-674-4080.

Bi-Weekly Pay: Transition Calendar

December '22

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

January '23

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February '23

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March '23

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What is happening?

- The City of Lowell is changing employees' pay period from weekly to bi-weekly, effective January 2023.

How does this affect me?

- Instead of getting paid every Thursday for the prior calendar week, you will be getting paid every other Thursday for the past two calendar weeks.
- You will still continue to be paid for every day you work.
- No one's pay will change, just the frequency with which you get paid is going to change.
- As a result, you will get paid every other week.
- Please be sure to review your financial situation, and to reach out to the Employee Assistance Plan for assistance in planning!
- You may want to review when your bills and other payments get processed, based on the new pay schedule.

Why is this being done?

- Bi-weekly payroll is the most common pay practice among employers, alleviates many of the challenges presented by weekly pay, and makes good business sense.
- This change will improve departmental efficiency and productivity allowing departments more time to focus on their core businesses.

Who do I contact with questions?

- Auditing Department at 978-674-4080

Calendar Key

- Weekly Pay Dates Under The "Old" Schedule
- Scheduled Holiday
- Bi-Weekly Pay Dates Under The "New" Schedule

2023

City of Lowell Payroll Calendar

January

S	M	T	W	T	F	S
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February

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Biweekly

March

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* Modified Since this memo was Shared

April

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May

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June

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July

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August

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October

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November

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December

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Dear City/School Employee,

Bi-weekly payroll is the most common pay practice among employers, and alleviates many of the challenges presented by weekly pay.

The City of Lowell is changing employees' pay frequency from weekly to bi-weekly, effective January of calendar year 2023. This means that instead of getting paid every Thursday for the prior calendar week, you will be getting paid every other Thursday for the past two calendar weeks. The last paycheck of CY2022 is on December 29, 2022, for work performed on week-ending December 24. Beginning with week-ending December 31st, the new bi-weekly pay period will begin. The first pay check in the new bi-weekly system will be on January 12th, 2023, for work performed for the two week period of December 25th through January 7th.

Because this transition from weekly to bi-weekly pay impacts the timing and amount of each paycheck, we want to ensure that you have all of the information, tools, and support you need so that this is a smooth transition. We strongly encourage you to review the information in this packet and the other tools referred to and to ask us any questions that you have.

In this packet you will find the following information:

- **Bi-Weekly Pay: Frequently Asked Questions (FAQ)** – This is a list of questions and answers, designed to help employees better understand this change from weekly to bi-weekly pay. If you have questions not covered by the Frequently Asked Questions page, please let your manager know so that we can address it.

- **Bi-Weekly Pay: Transition Calendar** – This December 2022 through March 2023 calendar covers the transition period, and includes important dates, such as the date of each payday.

As you learn more about what is changing for you, it is important to understand what is not changing: your role, your duties, and your manager remain the same, as do your paid time off accruals (e.g., vacation time, sick time, etc.). Likewise, your career opportunities and your value to the City of Lowell are not affected.

Please know that we are committed to making this transition as straightforward and the least disruptive as possible to all of the 4,000+ employees being impacted by this change, and we encourage you to review your financials, and to take advantage of the Employee Assistance Programs that are available to you to assist with budgeting and other financial matters as appropriate.

Thank you for your cooperation as we make this important change in our payroll processes.

LOWELL PUBLIC SCHOOLS
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155 Merrimack Street
Lowell, Massachusetts 01852

Billie Jo Turner
Assistant Superintendent for Finance and Operations

Tel: (978) 674-4325
Fax: (978) 937-7620
E-Mail: bturner@lowell.k12.ma.us

To: Joel Boyd, Superintendent
From: Billie Jo Turner, Assistant Superintendent of Finance
Date: November 30, 2022
Re: Biweekly Pay Conversion

In April of 2022, the City Council was provided with a management letter from the FY21 audit provided by the City's outside audit firm Powers & Sullivan that stated that there should be a full review of the internal controls in place surrounding the current payroll process focusing in on areas that need to be strengthened." A subsequent meeting with the City Council's finance subcommittee was held on June 30, 2022 to further discuss payroll issues that both LPS and the City faces including the need to convert to a bi-weekly payroll to allow for more audit time of the scheduled payrolls. In October, the City developed information packets to distribute to the City unions and LPS. They shared a Frequently Asked Questions and calendar which were both shared by my office via email to all staff on October 20, 2022 (See Attachment A).

We have been collaborating with the City to address any identified or anticipated transition issues. There is a commitment on both ends to continuously plan for an effective conversion. Areas of focus include technical readiness, risks and the expected margin of error, timing concerns, additional resources that may be needed and the request of the unions to delay the implementation until July1. Working with the City on such issues leaves me confident that we are prepared to make this transition with minimal disruption. CFO Baldwin emphasized that the City Auditor and staff had been conducting many test runs on this implementation and were confident that any corresponding issues that might arise would be handled in a timely manner. In addition, consistent meetings will be held prior to and after the implementation to address issues that might arise. All in all, the City does plan on maintaining the scheduled January 2023 conversion but with the confidence that all concerns will be handled in a timely manner.

Below are the steps taken thus far:

1) Participated in meetings and discussions regarding the impact of this conversion
2) Emailed all staff on 10/22 sharing documents from the City on frequently asked question and calendar dates for implementation and impact.
3) Had the technology department create an email address specifically for biweekly pay issues so that staff can get through directly with any issues faced.

Attachment C

Below are the next steps:

1) Share the update from the City with all staff again to remind them of the impending conversion along with frequently asked questions, calendar and information on using the EAP system for financial guidance with this change.
2) Have our Community Outreach Specialist prepare flyers and brochures to pass out at schools and post in teacher lounges and café areas.
3) Discuss options with the City on advertising the availability of small loans through the City Credit Union.
4) Offer 1 to 2 zoom sessions in December for staff to ask questions and share concerns.
5) Have LPS Payroll Office compile a list of concerns to discuss with City staff so that we are proactive rather than reactive.

LOWELL PUBLIC SCHOOLS
Henry J. Mroz Administration Office
155 Merrimack Street
Lowell, Massachusetts 01852

Billie Jo Turner
Assistant Superintendent for Finance and Operations

Tel: (978) 674-4325
Fax: (978) 937-7620
E-Mail: bturner@lowell.k12.ma.us

To: Kelly Oakes, City Auditor
From: Billie Jo Turner, Assistant Superintendent of Finance
Date: December 9, 2022
Re: Bi-weekly Pay Conversion Concerns

I am writing on behalf of the Lowell School Committee, pursuant to the following motion that was unanimously adopted on 12/7/22.

> ***"The SC requests a letter to be sent to the City asking to reconsider the starting date of biweekly payroll giving consideration of tax and utility increases plus post-holiday costs and their impact to constituents."***

Due to fiscal hardship that the holiday and raises in both utilities and taxes may cause, **the School Committee has respectfully requested a delay in the conversion to a biweekly pay cycle**. Please see the corresponding questions asked below. In addition, they have **requested a formal response in advance of the upcoming holiday break**.

1. If this conversion cannot be delayed, what supports can be offered to staff to offset the financial burden? (eg. Loans with the City Credit Union? Salary advances?)
2. What actions are being taken to ensure that the LPS Payroll Office is prepared to support this conversion?
3. What actions are being taken to avoid and respond to inevitable issues that arise due to this conversion?

Please find the presentation that was shared with the School Committee on 12/7/22 as well as the analysis/concerns by the LPS Internal Auditor and Payroll Supervisor which served as the basis for the attached presentation.

CC: Joel Boyd, Superintendent
Tom Golden, City Manager
Conor Baldwin, City CFO
Paul Georges, UTL

Attachments:

12-7-22 Biweekly Pay Conversion Presentation to SC
11-30-22 Memo from Internal Auditor and Payroll Supervisor

Attachment D

Delete Archive Report Reply Reply all Forward ...

IMPORTANT Notice of change to Bi-Weekly Payroll Transition Schedule

This message was sent with High importance.

You forwarded this message on Wed 12/21/2022 9:47 AM

BC Baldwin, Conor <CBaldwin@lowellma.gov>
To: Department Heads <Dept.Heads@lowellma.gov>
Cc: Golden, Tom <tomgolden@lowellma.gov>; Menzies-Turner, Billie Jo **+3 others**

Thu 12/15/2022 2:18 PM

Good Afternoon,

In light of a request by the School Committee for additional time for training and testing to prepare for the transition to switch to bi-weekly payroll, the City Council has authorized a slight delay to the implementation of the transition to bi-weekly payroll. This will afford the school department the ability to conduct the training and testing which they have not been able to complete, to date. The bi-weekly conversion will now occur in February.

February 9th would be the final paycheck under the weekly payroll system (for the week-ending February 4th). The first bi-weekly paycheck would be dated February 23rd, for the pay period of February 5th to February 18th.

Kindly notify your payroll staff of this change.

Thank you,

Conor

The City of LOWELL Alive. Unique. Inspiring.

Conor Baldwin | **Chief Financial Officer**
Lowell City Hall | 375 Merrimack St, Room 43 | Lowell, MA 01852
☎ 978-674-4402 | Finance Office: 978-674-1448 | City of Lowell Website

Reply Reply all Forward

Attachment 3

Delete Archive Report Reply Reply all Forward

Bi-weekly Transition Pay Update

You forwarded this message on Wed 12/21/2022 11:39 AM

MJ Menzies-Turner, Billie Jo
To: **All Schools Mail**
Cc: UTL; Marianne Dumont <utlmickie@gmail.com>; Paul Georges **+3 others**

Wed 12/21/2022 11:36 AM
5

Papertrail of Biweekly Pay Co...
8 MB

Hello all,

Per the October 20th email sent to All Staff, the City is converting to a biweekly payroll cycle per the recommendation of outside auditors to ensure accuracy and increase efficiency for both the LPS and City payrolls. This conversion was scheduled to end "weekly" payrolls on December 29th 2022. However, due to a formal request of the School Committee on December 9th, 2022 (after hearing concerns brought forward by the unions), the City Council authorized a delay to the implementation of the transition to bi-weekly payroll.

The new transition schedule is listed below:

12/22/22	Weekly
12/29/22	Weekly
01/05/23	Weekly
01/12/23	Weekly
01/19/23	Weekly
01/26/23	Weekly
02/02/23	Weekly
02/09/23	**Weekly - Last Check on Weekly Schedule**
02/16/23	**No Check**
02/23/23	**Biweekly - First biweekly pay (2 wks pay)**

If you have any questions/concerns, please email the following email address directly (biweeklypay@lowell.k12.ma.us) to ensure that your email is seen and responded to in a timely manner. Please also note that the City of Lowell Credit Union offers loans to employees that could be used to assist with this transition.

Attachment F