

**CASWELL COUNTY BOARD OF COMMISSIONERS**  
**MEMBERS PRESENT**

**February 21, 2022**  
**OTHERS PRESENT**

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Rick McVey, Chairman  
David Owen, Vice Chairman  
Nathaniel Hall  
Jeremiah Jefferies  
Steve Oestreicher  
John D. Dickerson  
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Bryan Miller, County Manager  
Carla Smith, Clerk to the Board  
Jennifer Hammock, Finance Director  
Melissa Miller, Deputy Finance Officer

The Board of Commissioners for the County of Caswell, North Carolina, met in special session on Monday, February 21, 2022 at 5:00 pm in the Historic Courthouse.

**WELCOME:**

Chairman McVey called the meeting to order and paused for a moment of Silent Prayer. Then the Board of Commissioners and all the guest in attendance recited the Pledge of Allegiance

**DISCUSSION ITEMS:**

**2022 CASWELL COUNTY PAYROLL SYSTEM AND PAYROLL CLASSIFICATION STUDY:**

County Manager Miller shared a short presentation for the Board. Mr. Miller went over how payroll was completed before and shared a copy of the timesheets used previously. Before the implementation of the new system, employees completed a timesheet. EMS and the Health Department had a different variation of the timesheet, and some employees turned in handwritten timesheets. The one before you today was the one most prevalently used. Some employees completed the timesheets daily, weekly and others right before timesheets were due. Then that information would be sent to their supervisor or department head. Once the department heads received the timesheets, they would transfer that information into an abbreviated version that is contained in the coversheet. The coversheets then came to the Finance Department, who manually entered the information into the payroll system. Then the presentation was shared.

# Caswell County Payroll

Old (ACS) System Compared to New (Executime) System

- ▶ Dept. Heads asked about bi-weekly payroll prior to July - %100 in Agreement
- ▶ July 7<sup>th</sup> - Dept. Heads notified monthly amounts would be less than before but would be made up in the additional checks received in July and December.
- ▶ July - August -
  - ▶ Met with all Dept. about workflows and additional requirements for their individual departments.
  - ▶ Met with some Departments multiple times.
  - ▶ All Depts. Given the option of which ways they would like to clock in and out.
- ▶ November - Conversion team sent email to all Dept. Heads with instruction and a letter to employees explaining the new system and an example conversion of how it will effect their paychecks. Also advised them to meet with financial institutions to make arrangements concerning outstanding loan obligations. Also explained December payroll.
- ▶ November - Spoke to banks where employees had loans.
- ▶ December 3 - Multiple training sessions for staff and approvers.
- ▶ December - Barry Lynch EMS brought up some of his employees were not happy.
  - ▶ Only Administrative employees for EMS are not already paid hourly.
- ▶ Constant contact with Departments throughout the process.
- ▶ Answered emails and phone calls leading up to and throughout the process.

EMS was the most seamless department that transitioned because all but two employees were already paid hourly. The only concern was the overtime pay.

2022						
		\$20	2080	\$41,600	\$3,466.67	
Month	Working Days	Hrs. Per Day	Hourly Rate	Actual PAID wages	Owed Wages	Overpaid / Underpaid
Jan	21	8	\$ 20	\$ 3,467	\$3,360	Overpaid
Feb	20	8	\$ 20	\$ 3,467	\$3,200	Overpaid
Mar	23	8	\$ 20	\$ 3,467	\$3,680	Underpaid
Apr	21	8	\$ 20	\$ 3,467	\$3,360	Overpaid
May	22	8	\$ 20	\$ 3,467	\$3,520	Underpaid
Jun	22	8	\$ 20	\$ 3,467	\$3,520	Underpaid
Jul	21	8	\$ 20	\$ 3,467	\$3,360	Overpaid
Aug	23	8	\$ 20	\$ 3,467	\$3,680	Underpaid
Sep	22	8	\$ 20	\$ 3,467	\$3,520	Underpaid
Oct	21	8	\$ 20	\$ 3,467	\$3,360	Overpaid
Nov	22	8	\$ 20	\$ 3,467	\$3,520	Underpaid
Dec	22	8	\$ 20	\$ 3,467	\$3,520	Overpaid
				\$ 41,604		
6 months Overpaid (FLSA Doesn't Care)						
6 Months Underpaid (Violation of the FLSA)						

Fair Labor Standard Act requires employers to pay employees for time worked. The way the old system worked we would over pay employees for 6 months, but this is not a concern of the Fair Labor Standard Act. However, the months we underpay our employees, they are not okay with that.

OLD SYSTEM	
Pros	Cons
1 Paid employees the same amount each month.	1 Did not directly comply with the FLSA
2 A basic system (no options)	2 Paper timesheets (not accurate)
	3 No accountability
	4 Accrued balances always a month behind
	5 Data wasn't easily exportable
	6 Not user friendly
	7 100% Manual entry by employee and by Payroll staff.
	8 Had to manually manipulate the system
	9 Paid employees for time they had not worked.
	10 Accruals had to manipulated the following month.
	11 Employees didn't understand how they were paid.

## NEW SYSTEM

Pros	Cons
1 Adds employee accountability	1 New system (employees have to learn)
2 Calculates all reporting data (IRS, State)	2 Completing the process twice a month
3 Pays employees for the actual time worked - No more, no less.	3 Still working out bugs in system (to be expected)
4 Supervisors can see which employees are clocked in which employees are not.	4 Employees receive less money in most calendar months.
5 Paid by the minute	
6 Real time data	
7 Additional Dept. Head and Supervisory tools to better manage time and attendance.	
8 Will flow through directly into Munis (Finance Software)	
9 Employees receive wages for time worked earlier than in Old System.	
10 Can be tailored to fit different departments.	
11 Various ways to punch in and out (Mobile, time clock, computer)	
12 Geo data collected for mobile punches.	

Old Monthly Wages	Bi-Weekly Wages	Month	Wages Owed	Wages Paid	Pay Dates	Monthly Wages
\$ 3,467	\$ 1,600	Jan	\$ 1,600	\$ 1,600	14	
\$ 3,467	\$ 1,600	Feb	\$ 1,600	\$ 1,600	28	\$ 3,200
\$ 3,467	\$ 1,600	Mar	\$ 1,600	\$ 1,600	11	
\$ 3,467	\$ 1,600	Apr	\$ 1,600	\$ 1,600	25	\$ 3,200
\$ 3,467	\$ 1,600	May	\$ 1,600	\$ 1,600	11	
\$ 3,467	\$ 1,600	Jun	\$ 1,600	\$ 1,600	25	\$ 3,200
\$ 3,467	\$ 1,600	Jul	\$ 1,600	\$ 1,600	8	
\$ 3,467	\$ 1,600	Aug	\$ 1,600	\$ 1,600	22	\$ 3,200
\$ 3,467	\$ 1,600	Sept	\$ 1,600	\$ 1,600	6	
\$ 3,467	\$ 1,600	Oct	\$ 1,600	\$ 1,600	20	\$ 3,200
\$ 3,467	\$ 1,600	Nov	\$ 1,600	\$ 1,600	3	
\$ 3,467	\$ 1,600	Dec	\$ 1,600	\$ 1,600	17	\$ 3,200
\$ 41,604	\$ 1,600	Jan	\$ 1,600	\$ 1,600	1	
	\$ 1,600	Feb	\$ 1,600	\$ 1,600	15	
	\$ 1,600	Mar	\$ 1,600	\$ 1,600	29	\$ 4,800
	\$ 1,600	Apr	\$ 1,600	\$ 1,600	12	
	\$ 1,600	May	\$ 1,600	\$ 1,600	26	\$ 3,200
	\$ 1,600	Jun	\$ 1,600	\$ 1,600	9	
	\$ 1,600	Jul	\$ 1,600	\$ 1,600	23	\$ 3,200
	\$ 1,600	Aug	\$ 1,600	\$ 1,600	7	
	\$ 1,600	Sep	\$ 1,600	\$ 1,600	21	\$ 3,200
	\$ 1,600	Oct	\$ 1,600	\$ 1,600	4	
	\$ 1,600	Nov	\$ 1,600	\$ 1,600	18	\$ 3,200
	\$ 1,600	Dec	\$ 1,600	\$ 1,600	2	
	\$ 1,600	Jan	\$ 1,600	\$ 1,600	16	
	\$ 1,600	Feb	\$ 1,600	\$ 1,600	30	\$ 4,800
	\$ 41,600		\$ 41,600	\$ 41,600		\$ 41,600

\$4 Per year difference created by rounding when calculating old payroll numbers.

This is just an example of the wages in the old system (in red) and the wages in the blue are current bi-weekly pay. The difference is due to rounding processes in the old payroll system.

Commissioner Oestreicher asked about the pay being every two weeks and about the extra checks in July and December, which are not extra checks but those months will get three checks. The County Manager said that is correct.

Commissioner Hall asked when did the overpayment and underpayments begin. The County Manager said these payments began the month the finance department started using the old payroll system. This began when the County went to a monthly payroll and employees were paid the same amount. Commissioner Hall said he just needed the year. The County Manager said we have been on the old system since 2000 as stated by the Tax Director.

The Commissioners then heard from the Department heads with the exception of a few who had other obligations. The Board was able to ask questions, if they had questions, as the department heads came up. Each department head came up to share their thoughts on Executime.

**Economic Development:** They had technical issues but with training and time they can work through these issues. She can understand how the difference in wages can place a greater burden on employees, whose wages and family circumstances are already strained.

**Family Services:** There are adjustments because they are on call at all times as well as adjustments to the decrease in pay in a month. She advocates for some other recourse, such as a salary study, to alleviate some of the challenges that staff are facing.

Commissioner Hall said he has worked with payroll in his profession and wanted to clarify something. When you go to a bi-weekly payroll, he thinks it's every quarter rather than July and December that you can catch up due to the extra week. County Manager Miller said there are four times a year on a quarterly basis that you experience five Fridays. However, in this bi-weekly payroll system, the way the payroll falls you only experience a third check twice a year. Commissioner Hall said maybe we should not look at the 4<sup>th</sup> Friday but the end of the month to pay based on actual hours to see if that will make a difference. The County Manager said if we pay on actual hours worked at the end of the month, employees would have to go a month before receiving a check. No, employees would have to go two months before getting a check because the way the bi-weekly pay works is you operate with a week in the hole. If we pay the employees on a monthly basis we would have to revert to a month in the hole rather than a week in the hole.

**Library:** Rhonda thanked the commissioners for listening to the department heads. There has been some confusion because not everyone did their due diligence in researching how this would affect us. On behalf of the library employees, there has been some technical issues they will have to work through. Since this transition, the library has one employee that has had to apply for food stamps and two employees getting assistance with their electric bill. Mrs. Griffin is an advocate for the salary study because she should not have employees on food stamps.

**Maintenance:** A lot of maintenance employees are used to clocking in and bi-weekly pay coming from production type industries. The one thing he has heard is the reduction in monthly pay and additional checks in July and December are not helping now.

**Social Services:** Employees are coming up short on their take home pay. Staff has monthly bills scheduled on their available income, which is short now. Some staff travel from other counties but with gas prices up and the decrease in monthly pay may mean they need to work closer to home. Grocery prices has also increased. Employees are distraught because of the reduction in monthly take home pay.

**Animal Control:** They have no real issues with the transition. Moving to the new system there are technical issues. The shortage in pay monthly with inflation is causing some issues, but the salary study will help.

**Tax Department:** The issues for the tax department employees are the shortness in pay and the system is not user friendly. It will take time to get acclimated to the system. Mr. Bernard encouraged the Board to approve the salary study to make up the difference in pay.

**Building Inspections:** No complaints from employees, but with change come worries. It takes time to get used to the new pay system.

**CATS (Caswell Area Transportation System):** The issue is being short in pay each month. They were made aware of the change in pay, but it is more than they imagined. If the two checks added up to the amount received in the old system there would not be any issues, but the check in July doesn't help now. There is hope that the Board will take a good look at the pay study because that could ease a lot of the tension felt by employees now. There are some technical issues, but getting more acclimated with the system they will work through those.

**Cooperative Extension:** Has employees on the state and local government systems. Very similar systems for clocking in and out. There is some user friendly editing on the back end that takes time to do it, but his staff will work the kinks out. Employees forget to clock out or in from lunch. Accruals are accurate now unlike with the old system where it was questionable if it was correct on the timesheets. Employees likes getting paid twice a month.

**E-911:** Change can be scary when dealing with someone's pay. The biggest concern with staff has been the reduction in net pay for the month. However, they seem to adapt to make it through. It has reduced the time the director spends approving time from 3 hours to 30 minutes per pay period. Kenneth is very appreciative of the time staff has spent training them on the new software. To overcome the difference in reduction of monthly pay, our time will be very well taken to look to the salary study to fix the problem with recruitment and retention problems with employees.

**Planning Department:** There has been minor technical issues, but he calls Ashley with those issues. The transition to the new pay schedule has also been pretty smooth. Mr. Hoagland thanked staff for the check in July for his birthday.

**IT:** Only has had technical issues. As with any upgrade, you are going to have issues, but none we can't work through. The shortage in pay is an issue.

**Emergency Services:** They have been clocking in and out for the last 11 years. So the new software has not been an issue with staff. Emergency services staff has been paid hourly for the last 11 years so they have not seen a reduction in pay like the other departments. Only two employees who were salaried saw the reduction in pay. There were some technical difficulties at first with staff working 24 hour schedules. It caused some hiccups to the system, but Jason has worked closely with Ashley and Mindy to get those issues fixed. Jason went into it with a positive attitude and is now pretty fluent with the system. When considering the pay study, it will help with recruiting paramedics.

**Farmer Lake:** Charlie King has had some technical issues, but finance and Ashley has helped. He has no problems with the new system.

**Recreations Department:** The biggest issue faced with the automated system was change. Thanked finance and Ashley for answering questions. Ricky feels the pay study boils down to what the county can afford. It has been difficult to explain the difference in pay.

**Health Department:** Has 36 employees that embraced change very well. The only issues the Health Director has heard was the reduction in pay, but not a lot of complaints. There has been a couple of glitches. The Health Department is required to do a time study and that is not built into this system yet. So staff is still having to do paper timesheets to capture that time. The Health Department budget is made up of 21 programs and they have to allocate their time to do paper timesheets. So the hardship is for doing duplicate work, but next fiscal year they may have this worked out. Ashley, Mindy and Jennifer have been amazing helping out. The health department has had employees leave after payroll is done and they were not always able to get that money back. Now with this system the health department will not have to worry about that.

**Soil & Water:** At first it was a little confusing when using the new system, but Ashley helped them.

**Register of Deeds:** Staff is getting use to the new system, but sometimes they forget to clock in. They are just having minor issues. Register of Deeds would appreciate any increase if the pay study is approved.

**Solid Waste:** Not a lot of issues with Executime since they do it on their phone. Biggest complaint from staff is going to 26 paychecks versus 12. One employee, who has been employed for 15 years, now getting paid bi-weekly and not monthly has changed his monthly income. They are hoping the salary study will help with the pay difference.

Commissioner Dickerson asked how many employees were in solid waste, full time and part-time. A.J. said he has 3 full time and 4 part time employees. One employee only works in an emergency situation.

**Sheriff's Office:** The biggest issue was the reduction in pay. They have several employees that live paycheck to paycheck, and they were not prepared for the reduction in their salary. Chief Deputy McLean wanted to commend Ashley, Mindy and Jennifer for being Johnny on the spot when it comes to answering questions. He has learned to navigate Executime on his flip phone. It is good for the county, but they need more time to adjust.

**Law Enforcement-Frank Rose:** Retired law enforcement agent, but he has been affected by this change. Retired law enforcement lost income as well.

**Administration:** Brian Miller reiterated everything the department heads said. What he has heard them say repeatedly is that they do not get paid enough and their employees don't get paid enough. Mr. Miller said the Board is aware that surrounding counties make far more than our employees do. Mr. Miller said he has had conversations with department heads. We have put together a salary study and he plans to go over that with the Board. If that salary study is approved, Mr. Miller thinks that the monthly pay difference will not be an issue.

As it relates to retirement, County Manager Miller wanted to explain. A law enforcement officer receives a special separation allowance, which comes from the county. Basic retirees do not receive any payment from the county. That comes from the State Retirement System. Nothing that we do in respect to the salary study will affect retirees in general, but it will help retired law enforcement officers with a special separation allowance.

The Board can do anything it wants to. The Board can authorize additional funds for those folks if they wanted to, and Mr. Miller will check the statutes to be sure that is allowed. The County

Manager said he was happy to talk with the Board tonight about the salary study or answer questions they have about the payroll system.

So Chairman McVey asked that the County Manager bring the Board up to speed on the salary study.

County Manager Miller said the MAPS Group came back with a recommendation without benefits, which was a little over \$1.8 million. The county cannot do that without a substantial tax increase. The County Manager looked at the salary study and their methodology, and with a couple of minor changes it may be doable. The MAPS Group had a 1% escalator for every year since the employee was hired. The County Manager contacted the MAPS Group and asked if they could use years in your current position rather than hire date. There are a lot of employees that started out in one department and transferred to a totally different department with no similar responsibilities. So that information was updated on the study. The MAPS Group also used a 1% escalator for the years they have worked here. An employee that has been here for 10 years would get the new minimum wage for that classification plus a 10% raise on top of that. Here again the county could not afford that in the County Manager's opinion. Mr. Miller said he would share all the recommendations with the Board. So they reduced that down from 1% to 1/2%. Now the County Manager has the salary study between \$1.6 million and \$1.75 million with benefits included. That is important because we are going to have to pay the benefits to the retirement system. Having said that, Mr. Miller has looked at how those payments are scheduled, the county's debt service, and how it falls off. He has looked at the amount of ARPA funds, the new refinancing for the detention center, the sale of Home Health and the \$250,000 a year in savings we will see from that, and a couple of other ways we can make this salary study work. The County Manager is prepared to show the Board how the salary study can work without a tax increase, and he intends to do that at the first meeting in March. If the Board ends up passing the salary study, Mr. Miller is asking that the Board make that effective March 5<sup>th</sup>. That will be the start of the new bi-weekly pay period so that finance will not have to run two different rates in a single pay period. The County Manager said he understands that a lot of people are not happy with the reduction in monthly pay. He also wished that they could have had this discussion back in 2000 and never started this type of system. The County Manager doesn't think the monthly payroll system abides by the Fair Labor Standards Act. You can't always make people happy, but what can be done is to pay them fairly and correctly. That is what the County Manager is advocating for today.

Commissioner Jefferies said over 75% of these people are having problems in their department. We are not sure if the salary study will pass because it takes four votes to pass that. To make the employees happy and keep morale up, why not go back to paying them what they were making. We know that Caswell County doesn't pay the top pay. What's wrong with staying on the two payrolls per month but give the people the same amount of money they were making. Then when the salary study pass you can put that in affect. Can you do that?

County Manager Miller said logistically speaking, he doesn't think they can do that. If we do that we get back into the same scenario we were in before, where we are paying people for time they have not worked. You heard our Health Director say they paid people before and on that Friday the person quits. That employee has already been paid for the next Monday, Tuesday, Wednesday, and Thursday. That employee quit payday Friday and they weren't able to recoup those funds. The Finance Director said it would be a nightmare to go back to paying employees



that way. The County Manager said he is not saying they cannot do something different. The conversion was planned for January 1<sup>st</sup> because it had the least amount of impact for our employees and how it would impact their money. Things considered were how it would impact the reduction in pay and how long they would have to go without a paycheck. January 1<sup>st</sup> was the perfect time to implement the new pay system. They would have to research another time to implement or the best time to implement a change that would have minimal impact on employees pay.

Commissioner Jefferies said he knows it was communicated with the department heads, but he still thinks employees should have been told too. The County Manager said that is his one biggest regret. If he had to do it over again, he would have one large employee meeting. The Board of Commissioners expect the County Manager to do a job, and he in turn expect the department heads to do a job. Mr. Miller said he relies on them to keep their employees informed. Department heads were told about this in July. In November a letter was sent out to department heads to give to all employees. The letter had an example on it and a copy of the letter was given to Commissioner Jefferies. The letter explained how the pay was calculated for the bi-weekly pay schedule. If it had to be done again, we would have one large meeting. All employees would be informed at the same time and from the same source, and we wouldn't have to rely on different departments sending different messages. Commissioner Jefferies said he didn't hear it clearly either at first, but he voted.

Commissioner Oestreicher asked if the bi-weekly pay was based on 80 hours of work or the work that occurred in that time period. The County Manager said employees are being paid by the minute and for the amount of time they work and any accrued time they may have used to make up to 80 hours in a two-week period. The County Manager said he know you have heard a lot of employees tonight give high praise to Ashley, Mindy and Jennifer, but Melissa Miller has been a tremendous warrior in this fight. Rose Farmer, Kristen Hamlett, and Tonya Fuller have picked up the slack in every area and have done a tremendous job. Mr. Miller is very proud of the finance department and the implementation team. Commissioner Oestreicher asked is it not possible to do twice a month pay on the 15<sup>th</sup> and the last day of the month. How big of a nightmare is that? County Manager Miller said it would change the schedules that were built but he would let Finance answer that. Jennifer Hammock said we have to consider more than just the dates of pay. The whole system has been configured according to a bi-weekly schedule. If you switch from bi-weekly to twice a month, you have to go back and reconfigure all information in the system for benefits. Then you would have to contact all the vendors to restructure payments. It's doable, but it would be difficult and extremely time consuming. Commissioner Oestreicher said what he is struggling with is that the salary study is telling us that we are underpaying our employees. The remedy for what we may be able to afford Mr. Oestreicher is hearing is about the fix it would take to balance off this two-week deal. So it seems we are fixing one problem but not the other with the same solution. Commissioner Oestreicher feels we can't solve both problems unless we deal with this issue of employees coming up short in a month. We need to get payroll in synch with payments most people have on a monthly basis. The County Manager said if we pay on the 15<sup>th</sup> and last day, employees still will not get the same amount every month. Commissioner Oestreicher said they will if they are salaried employees. County Manager Miller said but they are not, they are hourly. Commissioner Oestreicher said they will be paid the same amount they received in the old system if you pay them for the hours worked from the 1<sup>st</sup> to the 15<sup>th</sup> and the 16 through the end of the month. The County Manager said not every month has the

same number of working days. It varies how many working days each month has. Commissioner Oestreicher then said hourly employees are facing that now. It is no difference. The County Manager said the employees are coming up 7% short, but some months they will come up 33% over because of the way the bi-weekly pay is scheduled. Commissioner Oestreicher said if you pay them twice a month you solve 99% of the issues with the short pay not insufficient pay.

Commissioner Dickerson said several people mentioned problems with user interface. Is more training on the way to alleviate the concerns they have in reference to user interface? The County Manager said we are working in conjunction with the library to develop that training now. We had hoped to roll it out this past Friday the 18<sup>th</sup>, but we had planned for the Board of Commissioners to meet. So both got cancelled and training got delayed again. More training is on the way. Then Commissioner Dickerson asked has all issues involving short pay other than the discrepancy going from one system to another been taken care of such as anyone who was short of hours or missed paychecks. Jennifer Hammock said they are in the process of doing that now. The County Manager asked how many employees do we have that fit that bill now. The Finance Director said that would be the majority of our employees as far as accruals go. County Manager Miller said no, Commissioner Dickerson were you referring to accruals or the amount of money? Commissioner Dickerson said the amount of money. Jennifer Hammock said no we do not owe any employees any money. All of that has been taken care of.

Commissioner Oestreicher asked if the County Manager was going to go over the salary study at the first meeting in March, and the County Manager said yes. If the Board wants to talk more about it, it can be added to the agenda for the Commissioners meeting tonight. The Board has a rule that they are not going to approve any item over \$10,000 in off budget spending in the session when it is first introduced. So the County Manager said he would like to introduce it tonight and then bring it back to the first meeting in March to vote on it one way or another. Then Commissioner Oestreicher asked if the County Manager was prepared to discuss it tonight, and he said yes.

#### **ADJOURNMENT:**

A **motion** was made at 6:24 pm by Commissioner Owen and seconded by Commissioner Dickerson and **carried unanimously** to adjourn the meeting. (Commissioners Carter, Dickerson, Hall, Jefferies, Owen, Oestreicher and McVey voted for the motion)

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Carla Smith  
Clerk to the Board

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Rick McVey  
Chairman

February 21, 2022