COBURG CITY COUNCIL
ACTION ITEM

Payroll Software Purchase and Support Contract

Meeting Date	Staff Contact	Email
March 12, 2024	Adam Hanks, City Administrator Greg Peck, Public Works Director	Adam.Hanks@ci.coburg.or.us Gregory.Peck@ci.coburg.or.us

REQUESTED COUNCIL ACTION

Staff requests Council approval to integrate payroll services within the City's existing financial services software (Springbrook). The three-year contract includes $16,500 in one time integration/set up professional services (110 hours) and annual support fees of $5,887.50.

> **Suggested Motion**
>
> *I move to approve the proposed Springbrook Payroll software module contract of $22,387.50.*

BACKGROUND

Payroll services are currently provided with a partial outsourcing to NW Payroll Services. While the service provides some level of efficiency for Finance staff, many payroll processing elements remain outside of the third party contract service and must be addressed by Finance staff in time consuming and inefficient processes.

In a review of the complete payroll process from timesheet entry to monthly reconciliation and payment/reporting to payroll vendors (PERS, Dept of Revenue, IRS, etc), staff has determined that utilizing its existing financial services software platform for payroll provide significant operational benefits, including:

1) **DIRECT CONTROL:** by moving our payroll in house it will allow us to have complete control over all aspects of our payroll. This will have a positive effect on how we access and manage all payroll information

2) **INTEGRATION:** this move will integrate with other systems already in use allowing for additional customization and utilization of current reports/data for monthly financials, payroll vendor processing, budget preparation, etc.

3) **EFFICIENCY & ACCURACY:** by having our payroll in house we will be able to monitor/audit/correct & make changes to data with ease and accuracy, significantly reducing the use of individual spreadsheets to track various payroll related items such as vacation/sick accruals, floating holiday tracking, certification pay, etc

4) **EMPLOYEE ACCESS:** In house payroll allows for city employees to access/edit/print important payroll information such as W4's, paystubs, and/or other payroll items through the online employee portal associated with the payroll module.

5) **FLEXIBILITY:** Managing our payroll process in house means that we will have maximum flexibility. This is extremely important when it comes to making corrections or changes at the last minute. This is of great importance when it comes to maintaining accuracy and assuring all employee information/pay is correct.

RECOMMENDATION AND ALTERNATIVES
Staff has completed a full online demo of the software and recommends approval of the proposed contract with Springbrook for the purchase, integration and ongoing support service for the Payroll module.

BUDGET / FINANCIAL IMPACT
The City utilizes Springbrook software for a majority of its key financial operations including: General Ledger, Accounts Payable, Accounts Receivable, Special Assessments, Licenses/Permits, Utility Billing (+customer online portal).   The annual cost for the above noted elements of the Springbrook suite is currently $22,392 and would rise to $28,279 with the purchase and integration of the Payroll module.

The implementation and set up costs associated with this purchase were negotiated significantly down from the initial estimated hours and cost per hour based on staff ability and prior experience with software implementation, as well as the benefit of one compensation plan for the entire organization.

Current annual expense for the existing third party (partial) out sourcing is just over $3,000 per year. This proposal would generate a net increase in expense for organization-wide technology/software of just under $3,000 annually and a one time expense of $16,500. All proposed expenditures will be funded from the general fund Facilities appropriations, with portions of this cost allocated to various funds consistent with the approved cost allocation methodology

PUBLIC INVOLVEMENT
N/A

NEXT STEPS
Upon authorization, staff will execute the proposed contract and schedule the implementation/integration work with Springbrook and City Finance Staff, likely occurring in May/June of 2024.

ATTACHMENTS
1. Draft Contract with Springbrook Software