



CITY OF ORLAND STAFF REPORT

MEETING DATE: October 15, 2024

TO: Honorable Mayor and City Councilmembers

FROM: Rebecca Webster, Director of Administrative Services/Assistant City Manager

SUBJECT: Request for Contract Service with Tyler Technology for Year-End Payroll Processing Support (Pg.37) **(Action)**

BACKGROUND:

Last year, the IRS mandated that employers filing more than 10 returns must do so electronically. Although this transition presented several challenges, staff successfully managed the process, ensuring that all W-2s and 1099s were filed in compliance with federal guidelines. The project required approximately 40 staff hours and cost the City around \$2,600. On October 3, 2023, the City Council approved the implementation of a new financial software system, Tyler Technologies, to replace the outdated system previously in use. The general ledger module went live in June 2024, followed by the payroll module in September 2024.

ANALYSIS:

City staff are still in the process of becoming proficient with the new system. In preparation for year-end processing, staff reached out to Tyler Technologies to explore available support for W-2 and 1099 filings. A representative confirmed that Tyler offers processing services for an additional fee. Since this is only the second-year staff will be filing electronically, and the first time using the new system, additional support will help ensure accurate and timely filing, reducing the risk of errors or penalties.

Furthermore, staff will have the opportunity to observe how Tyler's team handles the process, allowing them to replicate it independently in future years without the need for continued assistance.

RECOMMENDATION:

Approve staff engaging with Tyler Technologies for this one-time use of additional services.

FISCAL IMPACT OF RECOMMENDATION:

Approximately \$3,000 to process and file all W2's and 1099's, to be shared across the general, water and sewer funds.