

MEETING DATE: December 13, 2018

TITLE: Selection and Authorization to Enter into Contract with Payroll Vendor

RESOLUTION NUMBER: 18-119

PREPARED BY: Cathy Reynolds

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REVIEWED BY: Administrator Counsel Program Mgr. (Name): _____
 Board Committee Engineer Other:

WORKSHOP ACTION:

<input type="checkbox"/> Advance to Board mtg. Consent Agenda.	<input type="checkbox"/> Advance to Board meeting for discussion prior to action.
<input type="checkbox"/> Refer to a future workshop (date): _____	<input type="checkbox"/> Refer to taskforce or committee (date): _____
<input type="checkbox"/> Return to staff for additional work.	<input type="checkbox"/> No further action requested.
<input checked="" type="checkbox"/> Other (specify): Final Action on December 13, 2018	

PURPOSE or ACTION REQUESTED:

The District has evaluated third party payroll vendors and is requesting selection and authorization to enter into a contract with a new third party payroll vendor.

PROJECT/PROGRAM COST:

The District’s payroll is currently processed by Redpath under our accounting contract. The annual cost associated with payroll under this contract is approximately \$14,600. The annual cost with the recommended vendor is approximately \$3600 for payroll processing and an additional \$1600 for online timecard and leave processing that uploads into the payroll systems. The vendor fees are paid per payroll and will vary based on the number of employees per pay period. There is a one-time set up fee for payroll of \$325 and \$1000 for the online timecard system.

PAST BOARD ACTIONS:

The Board has not acted on this previously. The recommendation was discussed at the November 8, 2018 Operations Planning Committee Meeting.

SUMMARY:

Redpath currently processes payroll through a third party vendor. There is no online timecard system or leave approval system with this process. Time and leave are submitted and approved utilizing paper forms. Operations staff then inputs this data into a spreadsheet which is submitted to Redpath who inputs the data into their vendor’s payroll system for processing. Staff does not have the ability to review the payroll until final reports are received at which time it is too late to correct any pay issues. Corrections have to occur via a special payroll or wait until the next pay cycle.

To streamline the process and reduce input errors, staff researched various vendors and received demos of the two vendors' products that appeared to meet our needs the most (Sage and ADP). Staff evaluated these products, as well as ways to improve the current process, and recommends that we transition payroll to Sage Payroll and Sage Timekeeping. Sage Payroll and Sage Timekeeping are separate online systems that communicate with each other providing a seamless electronic process for vacation request / approval, time card submission / approval, payroll processing and an automated upload to our accounting software. As these are online systems there is no outlay of money to purchase new software and the setup fees for the systems are minimal.

The accounting contract with Redpath was drafted to allow for services to be removed and the contract price to be renegotiated based on the change in scope of services. If approved staff would work with Redpath to renegotiate the accounting contract scope and cost.

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WHEREAS, The District currently pays Redpath and Company to process payroll through their third party vendor; and

WHEREAS, The District utilizes several manual processes including multiple data entry points to conduct this payroll; and

WHEREAS, The District has researched available third party payroll vendors; and

WHEREAS, These vendors provide an automated process to streamline payroll; and

WHEREAS, The Staff recommends that Sage Payroll and Sage Timekeeping be selected as the District's new payroll vendor.

NOW, THEREFORE, BE IT RESOLVED, the Minnehaha Creek Watershed District, Board of Managers hereby authorizes the District Administrator to enter into a contract with Sage Payroll and Sage Timekeeping to process the District's payroll;

AND BE IT FURTHER RESOLVED, that the Minnehaha Creek Watershed District, Board of Managers directs the District Administrator to renegotiate the accounting contract with Redpath and Company to reflect the change in scope of services and monthly costs.

Resolution Number 18-119 was moved by Manager _____, seconded by Manager _____.
Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: _____.

Secretary Date: _____

**DRAFT for discussion purposes only and subject to Board approval and the availability of funds.
Resolutions are not final until approved by the Board and signed by the Board Secretary.**