

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS MEETING

JANUARY 9, 2020

ITEM

KPPCSD: New Payroll 3rd Party Processor - Outsourcing Payroll

FOR INFORMATIONAL PURPOSES ONLY

SUMMARY:

Goal: Outsourcing payroll before the first payroll of 2020 (Jan.15, 2020) so that we do not have to bring over historical information.

District staff conducted a detailed review of three payroll providers, including web demonstrations, to determine which would fit best for the needs of the District. In conclusion, all three platforms were comparable in nature and price; however, Paylocity stood out as having an open API (application program interface) and being familiar with the technology used by CalPERS. The other two providers lacked familiarity with CalPERS. At this time Paylocity does not have a full 360 integration with CalPERS but are planning it for when and if CalPERS has an open API. In addition, Paylocity will provide a dedicated manager to our account, giving a single point of contact when the other providers gave a general contact line with random customer service representatives.

Outsourcing payroll provides the following benefits to the District:

1. Takes the large payroll tax liability and reporting off the District's plate. The payroll company will take full responsibility for this requirement. If it is done incorrectly the payroll company will pay and resolve any fines. The payroll company is responsible for all reports to IRS and EDD.
2. Makes payroll a manageable, less time-consuming process so that multiple people can be trained to run it. The District's business and finance manager will be the one who inputs the data and sends payroll; however, if the manager is out of the office, the CPA firm will also know how to run payroll.
3. Paylocity will make payroll information more readily available to employees. It has an online portal for employees to be able to login and see the following:
 - a. All past paystubs;
 - b. All sick, vacation, and comp time balances;
 - c. All sick and vacation accrual rates;
 - d. All vacation accrual anniversary dates and new rates;
 - e. Ability to change or add up to 5 bank accounts for direct deposits per employee;
 - f. Ability for employee to change withholding rates;
 - g. Ability for district to post important notices to employees;
 - h. Ability for district to push forms that need to be signed out to employees.
4. Paylocity also has the ability if wanted in the future to use the time tracking module. This is already included and would not cost any extra.

FISCAL IMPACT:

Setup costs is a one-time fee of \$500.00. \$150/month base fee and \$6/month/employee. Total projected monthly cost \$216.00 (more or less if more or less employees are added). Approximate annual cost \$3632.00 for the first year and \$3121.00 for every year thereafter.