

Executive Summary:

RESOLUTION ____-2025

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT BETWEEN ADP AND THE CITY OF MT. JULIET FOR A HR AND PAYROLL SOFTWARE SYSTEM

Who: Finance, HR and all city departments including the BOC

What: Approve an agreement with ADP

When: First reading November 10, 2025, with implementation to begin the first quarter of 2026. Full transition to system will be July 1, 2026

Why: Changes in current Payroll system and evaluation of City needs:

- 1) The city currently has approximately 310 employees and the needs of managing those employees are growing and changing each year.
- 2) Finance and HR have several issues with the current provider. The payroll and benefit software are not under one system but rather linked through portal access. This does not allow for the seamless transfer of information. Finance also had many difficulties in getting issues corrected and some calculations are still having to be performed manually. Finance finds the current customer service to be less than desirable.
- 3) In 2022/23, the city attempted to change to another software system however after a year of working with that company, they were unsuccessful in fulfilling the city's needs and the city severed ties and ultimately did not convert to the system.
- 4) There have been ongoing discussions between Finance and HR about the needs of the city and potentially changing systems as well as the timing of that change.
- 5) Finance and HR personnel have met with representatives and reviewed many systems over the past few years.
- 6) Staff agreed that the ADP system would provide the greatest advantages to the city and at a reduced cost when compared to the current provider using the same modules/features.
- 7) Advantages to the ADP system include:
 - Greater efficiency and a more streamlined process of onboarding employees with information flowing through one workflow system thus reducing the chance of errors.
 - Electronic access to important employee documents in one central location.
 - Electronic uploads for TCRS and 457 plans which are currently manual processes.
 - Improved customer service with a dedicated representative for each module.
 - Access to a timeclock that is compatible with currently issued employee badges as well as Geofencing.
 - ADP has been in business for 75 years and is a proven leader in Payroll and HR software.

Fiscal Note:

The change will allow greater efficiency of time and a reduction in errors from manual entry and calculation of employee information. It will accommodate the current growth in employees. The cost for ADP would be \$41k in year 1, \$71k in year 2 and \$95k in year 3. Included in this cost is the full suite of HR and Payroll functions including a performance evaluation module that the city doesn't currently have but has requested through the budget process. No change to the current fiscal year budget is necessary.