

Payroll Improvements Update

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City Manager's Office
With support from the Payroll Task Force

February 6, 2024

Payroll Facts



FY2024 **payroll budget** (salaries and benefits) is **\$945,312,000**, or **37%** of \$2.6 billion City budget.



Police and Fire represent **69% of General Fund budget**



City has about 7,150 active employees, **Public safety** represents **57% of General Fund employees**



In FY2023, City processed **184,000 payroll transactions**

Why do Police and Fire payrolls tend to be more complex than those of other departments?

- **Variable** hours
- Frequent work on **holidays** at higher rates
- Large amounts of **overtime**
- Wide variety of pay **incentives**
- Special provisions in **labor agreements**, which have been subject to interpretation



Participating Departments

- **Primary departments** involved in payroll processing:
 - ✓ **Financial Management Services:** financial, payroll tax and accounting
 - ✓ **Human Resources:** time and attendance, employee records
 - ✓ **Information Technology Solutions:** payroll systems
- **All City departments** play vital role in payroll process
 - ✓ Scheduling, time-keeping, and approval
 - ✓ Budget management, cost control

Payroll Task Force

- City Manager's Office
- Financial Management Services
- Human Resources
- Information Technology Solutions
- FWLab
- Law
- Internal Audit
- Police
- Fire
- ***Fort Worth Police Officers Association****
- ***Local 440, International Association of Fire Fighters****

**invited to join the Payroll Task Force in January 2024*



Why was this Project Needed

- **Resolve repeated challenges** associated with Fire and Police payroll processing
- **Improve** time and absence tracking/visibility
- **Optimize payroll time calculations** for Fire and Police personnel (civil service and civilian)
- **Reduce or eliminate payroll errors**, including overpayments and underpayments to employees
- **Rectify inconsistent application** of policies
- Ensure **contract compliance** with labor agreements

Public Safety Payroll Project Goals

Accurate and
efficient processing
through
automation

Simple,
easy-to-read
pay advices

Improved end-user
experience

Employee
accountability

Streamlined
business
processes

Existing vs. Proposed Conditions

System Attribute	Identified Issues	Examples of Issues to be Resolved
Complexity of policies	Extremely complex	<ul style="list-style-type: none"> • Holiday pay • Shift differential • K-9 pay
Automation of process	192 manual processes	<ul style="list-style-type: none"> • E-Overtime manual double-entry eliminated
Employee accountability	Not all employees validate their time worked	<ul style="list-style-type: none"> • Time keepers validating time on behalf of employees
	Inconsistent approval of subordinate time worked	<ul style="list-style-type: none"> • Eliminating auto approval of time worked

Project Phased Approach



Identify and document payroll process

Align process to policy

Align technology to process

Identify manual processes and opportunities to automate

Question current practices and mitigate

Integrate PeopleSoft and UKG business processes

Configure improvements identified in analysis phase

Reduce complexity

Question current practices and mitigate – change management

Drive continuous improvement (ask why!)

Concurrent with FY25 budget development

Completed by July 2024

Ensure solution meets business needs & project goals

Improved shift scheduling

Automated pay type categorization

Reduction of payroll related errors due to complexity

Continue change management, Training, and Go Live Readiness

Payroll Project History: IRs and M&Cs

M&C / IR Reference	Date	Subject/Purpose
IR 10360	January 28, 2020	Payroll Task Force Update
IR 21-10625	August 3, 2021	Payroll Process Update
IR 21-10680	September 28, 2021	Public Safety Payroll Solution Recommendation
M&C 21-0731	September 28, 2021	Authorize initial funding of \$2,109,400 to implement the Public Safety Payroll Solution project - UKG system
M&C 21-0732	September 28, 2021	Authorize Coop Agreement w/ Immix Technology to purchase and implement the Public Safety Payroll Solution project - UKG system
M&C 21-0733	September 28, 2021	Authorize Coop Agreement and spend authority for Staff Augmentation Services for IT Solutions (a portion of which to support the Public Safety Payroll Solution project - UKG system implementation)
M&C 21-0734	September 28, 2021	Authorize Agreement and spend authority for temporary staffing (a portion of which to support the Public Safety Payroll Solution project - UKG system implementation)
IR 23-011	January 24, 2023	Update on Police and Fire Payroll Improvements

Payroll Improvements To Date

- Pay advice re-design/simplification
- Improved coordination and communication
- Reduction in payroll errors
- Developing strategies to handle system workarounds
- Police Department rookie officer transition
- Improved K9 scheduling and processing
- Significant reduction in hours associated with the biweekly processing of payroll

Next Phase – Phase III – Functional Testing

- Vendor to complete system build for Fire Department (February 2024) and Police Department (March 2024)
- Initiate functional testing activities for 5 months (into July 2024)
 - **Goal is to confirm system is processing pay calculations as expected**

Updated Payroll Project Budget

Budget Detail	Amount	Driver/Justification
Initial Project Budget	\$2,631,400	
Adjusted Project Budget	\$3,896,400	Informal Report 23-011 - \$1,265,000 added to project budget
Reallocate Funding to Extend Project to cover functional build testing	\$365,000	Cost to extend project support resources(contractors) into testing phase of project (July 2024)
Revised Total Project Budget	\$4,261,400*	

***Notes:**

- 1 - Estimated cost to extend project is being funded from existing resources within departmental budgets.
- 2 – Revised total project budget does not include ongoing cost of maintenance/licenses.

Summary of Upcoming Council Actions

- Actions to be taken by City Council:
 - ✓ February 27: M&C approving the reallocation of funds (\$365,000) from participating department budgets to extend the project into testing.
 - ✓ August 6: City staff to bring forward recommendation on the next phase of the project
 - ✓ August TBD: City Manager presents recommended FY2025 budget to include Phase IV of this project as appropriate



Questions?





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