



# AGENDA MEMORANDUM

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**DATE:** September 23, 2025

**TO:** Forest Preserve District Finance and Administration Committee

**FROM:** Ben Haberthur, Executive Director  
Dave Petschke, Director of Finance  
Jen Clough, Director of HR

**SUBJECT:** Presentation and Approval of a 3-Year Contract for Cloud-Based Payroll Services and Human Resource Technology from ADP, Inc.

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**PURPOSE:**

The purpose of this memorandum is to provide the Committee with information to consider approving a 3-year contract with Automatic Data Processing (ADP) Inc. for select payroll services and access to additional Human Resource (HR) technologies.

**BACKGROUND:**

The District currently manages both our Human Resource Information System (HRIS) and payroll functions through New World Systems. "New World" is an Enterprise Resource Planning (ERP) system by Tyler Technologies. Tyler no longer sells this outdated software, and will stop supporting this product at an unspecified time in the near future. Given the uncertainty of Tyler's support for New World, coupled with currently available organizational restructuring opportunities, staff are recommending the contracting of the District's payroll services and select HR technologies to ADP Inc. This strategic shift offers a cost savings opportunity while introducing a suite of new technologies that will enhance both the District's financial operations and improve HR functionality.

A recent promotion in the Finance department left the Payroll Coordinator position vacant, and the position is currently frozen. Transitioning to ADP for payroll processing, timeclock management, W-2 issuance, and quarterly 941 reporting, eliminates the need to backfill the Payroll Coordinator position. The overall savings from this vacancy, combined with reductions in other software systems replaced by ADP's integrated platform, total approximately \$113,069.00 annually.

Transitioning to ADP will also allow the Finance department to shift its focus from manual payroll processing to higher-level financial analysis. This includes reviewing time clock data and payroll registers for accuracy before approval. As well as providing strategic oversight on compensation trends and staffing costs.

These savings will allow the District to reclassify the currently vacant Human Resources Generalist position into a Human Resources Manager position. The new manager, in partnership with the Human Resources Coordinator, will ensure dual controls of all employee data including work schedules, pay rates, deductions, and benefits. They will also reconcile ADP generated reports against IPBC's health insurance portal "PlanSource" data, ensuring accuracy and compliance. This layered review process will improve audit readiness and data integrity while also strengthening internal controls and add depth to the HR team's oversight responsibilities. This HR restructuring will be funded from part of the savings realized from the Finance department's restructuring. The cost to reclassify the HR Generalist position to an HR Manager position is an estimated cost of (\$22,083.00).

One of the largest benefits of utilizing ADP services is access to the technology, including analytic reporting and HR enhancements. The advanced suite of HR technologies will support the District in the following key areas:

- Performance Evaluations – Streamlined tools to track and manage employee performance cycles. The current process is manual and paper-based. Other electronic solutions that have been evaluated by the Human Resources department have been much more costly to implement and manage.
- Time Clocks – Modernized time tracking solutions integrated directly with payroll to reduce errors and manual entry.
- Applicant Tracking – Enhanced recruitment tools to attract, review, and hire candidates more efficiently. The District currently uses Applitrack, which is designed for K-12 education and has limited with the ability to support the District's needs.
- Onboarding – Automated onboarding processes for new hires to ensure timely and compliant integration into the district. The current process is manual and paper-based.
- Benefits Administration – ADP will reconcile the PlanSource monthly invoices to ensure the deductions and benefits that are managed in the ADP HRIS system are accurate and that the District's expenditures for IPBC benefits are accurate.

This will modernize how the District recruits and onboards employees, as well as how employees enroll in benefit plans, submit time worked, and manage performance. The magnitude of the project will need to be supported with comprehensive training and on-going support efforts.

Staff across the Finance, Human Resources, and Administration departments evaluated the benefit of contracting with ADP and concluded that it will improve internal controls, eliminate redundancies, and promote efficiencies well beyond the current software capabilities. This solution will also integrate into any ERP solution that will eventually replace the current New World Systems, ERP that Tyler Technologies is no longer selling to governmental entities. The proposed contract pricing was obtained through the OMNIA co-op and includes a reduction in implementation costs of 63.6% from \$22,000.00 to \$8,000.00. It also includes a discount of 20.0% for the annual base rate of 100 employees from \$82,621.25 to \$66,097.00 per year.

#### **FINANCIAL IMPACT:**

ADP, Inc. agreed to lock in their pricing for the 3-year duration of this agreement. ADP has also agreed to a post contract lock of 3%, which will ensure the increases in the rates charged remain within 3% of the prior year. The District anticipates salary and benefit increases for the Payroll Coordinator position that is being eliminated to be much higher than the rate increases beyond the 3-year initial ADP contract period. Charges

from ADP are calculated monthly, based upon the highest headcount of the pay periods that were processed in the prior month. Additional “ADP Comprehensive Services Ancillary Modules” are included in this contract as well, which are all disclosed in the attached contract.

The District anticipates that the base rate for ADP services will be approximately \$5,462.25 (100 employees), while in the peak seasonal months we expect that figure to increase to approximately \$6,816.95 (131 employees). Based on historical employee counts from fiscal year 2025, the District projects an annual fee of approximately \$73,027.20 for payroll, HR, and tax filing services within the 3-year contract period if employee staffing remains consistent.

Total savings from eliminating the Payroll Coordinator position and software systems that will no longer be needed are \$113,069.00 annually. Those savings will be offset by a reclassification of the Human Resources Generalist position to a Human Resources Manager position for an increased cost of \$22,083.00. Additionally, the anticipated annual cost for ADP will be \$73,027.20. Therefore, the District will be able to utilize all of the services and technology from ADP while strengthening the support within the Human Resources department and also saving the District \$17,958.80 in the first year. This also ensures that annual increases remain locked for a 3-year period and that subsequent increases are not greater than 3% annually which will generate greater savings in the future compared to the projected salary and benefit increases for the Payroll Coordinator position.

The ADP contract will also require a one-time implementation fee of \$8,000.00 that is currently available within the Administrative Department’s contingency account, 01-11-11-5080.

**RECOMMENDATION:**

Staff recommends the Committee approve a 3-year contract with ADP, Inc. for payroll and human resource services and authority for the Executive Director to extend the ADP, Inc. contract for subsequent years due to the 3% post-rate lock offered by ADP, Inc.

**ATTACHMENTS:**

*ADP, Inc. Contract*

*ADP, Inc. post-lock rate addendum*