

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**99-208**

**SYNOPSIS -**

**AGENDA:**

MAY 17, 1999

**SUBJECT:**

PAYROLL AND  
BENEFITS  
INSOURCING FOR  
THE PUBLIC  
LIBRARY OF DES  
MOINES  
FOUNDATION

The City's installation of the Peoplesoft Human Resources Management System (HRMS) has provided significant payroll processing efficiencies. As the Benefits Administration component is added later this Fall, even greater efficiencies will be realized. In an effort to leverage this resource, to fulfill a request made by a not-for-profit agency supporting City operations, and to generate revenues on behalf of the City, the City will provide payroll and benefits administration under agreement with the Public Library of Des Moines Foundation Board.

**FISCAL IMPACT -**

**TYPE:**

RESOLUTION  
ORDINANCE  
RECEIVE/FILE

Beginning immediately, the Foundation will pre-pay to the City benefits and salary costs for the Foundation Director. After July 1, 2000, if we continue to provide this service to the Foundation, the City will collect an estimated \$3,200 in annual fees from them.

**RECOMMENDATION -**

**SUBMITTED BY:**

WILLIAM STOWE  
HUMAN RESOURCE  
DIRECTOR

**Receive and file this request from the Public Library of Des Moines Foundation and the Payroll Processing Agreement.**

**BACKGROUND -**

The Public Library of Des Moines Foundation, a non-profit agency associated with fundraising activities supporting the Public Library of Des Moines (PLDM), has contacted the City's Human Resources Department to request that the City provide payroll and benefits administration to support the employment of the Foundation Director.

The newly installed City Peoplesoft HRMS can provide this support easily without any adverse affect on services to City employees. Following discussions between City staff and the Foundation Board, all agreed that the City would honor this request under the terms of a Payroll Processing Agreement (see attached). Under this Agreement, the Director is explicitly designated as an employee of the Foundation and not the City; moreover, the City would charge both a fee for this service structured to meet the administrative costs and actual costs for the salary and benefits provided (e.g., insurance premiums, payroll taxes) one quarter in advance.

Based on the Foundation's immediate needs for this service and the advantages to the City in demonstrating its payroll and benefits insourcing capabilities, the City will waive the administration fees for this service until July 1, 2000.

Attachment