



that the opinions which had been voiced at the meeting had been reported in this morning's edition of *The Post Star*.

Privilege of the floor was extended to Todd Lunt, Director of Human Resources, who explained that time management had been a topic of discussion for a number of years. He added that an emphasis had been placed on the discussion of time management due to the construction of the new Human Services Building. He advised that the Support Services, Personnel and Finance Committees had already approved the implementation of a new Kronos Time Management System. He said that the Human Resources (HR) Department, the Information Technology (IT) Department and the Payroll Department of the Treasurer's Office supported the purchase of a time management system, as opposed to creating a system in-house. He acknowledged that the County had programmers that could create a system in-house; however, he added, the IT Department recommended the purchase of a system and the time that would be necessary to create a system could be spent on other projects. He advised that there had been a lot of discussion pertaining to whether or not the County should be expending funds on a new time management system given the current budget crisis. Mr. Lunt said that the current system was archaic and noted that it was not the best system but it did work. He added that time management could be completed in a more efficient manner with less errors.

Mr. Sheehan stated that he appreciated all the work that had been completed by everyone involved in the project. Mr. Stec advised that Hal Payne, Commissioner of Administrative & Fiscal Services, had sent an email that contained a payback analysis of the Kronos Time Management System. He said that the press would question the wisdom of a \$164,014 investment and he felt that the information in the email would explain the County's decision. Mr. Payne apprised that he had sent the email on July 24, 2009 and had obtained the figures from Rob Lynch, Deputy Treasurer. Mr. Payne read the following statement from the email:

- A recent study from Nucleus Research has indicated that the average error rate was 1.2% of total payroll without a time and attendance system. When time and attendance applications are properly deployed 85% of these costs can be eliminated. Based on this study the County's payroll error costs would be approximately \$450,000 annually with \$427,000 being eliminated just by implementing a County-wide time management system.

Mr. Stec stated that based on that data, the Kronos Time Management System would pay for itself in less than a year. Mr. Sheehan countered that the information that had been provided at the previous meeting suggested that the in-house time management system would accomplish the same results. Mr. Kenny said that he was concerned about expending the funds this year; however, he added, a time management system would need to be installed in the Human Services Building regardless. He asked Rob Metthe, Director of Information Technology, if there were funds remaining in the Computerization Effort Capital Project for time management and Mr. Metthe replied there was approximately \$54,000. Mr. Kenny noted that the hardware life expectancy was 15 years for the Kronos System and 5 years for the in-house system. He added that the in-house system was not recommended by Certified Public Accountants (CPA). Mr. Kenny asserted that since the Kronos System was recommended by the Treasurer's Office and the HR and IT Departments, he felt it was the best choice. Mr. Taylor stated that he was also in favor of the Kronos System.

Mr. VanNess explained the difference in hardware life expectancy, as follows:

- the 15 year hardware life expectancy from Kronos was a lease program, at a cost of \$21,000 per year, where Kronos would replace hardware (fingerprint pads) as needed; and
- the 5 year life expectancy from the in-house system would mean that the County owned the hardware and would replace it as needed at a cost of \$117 each.

Mr. Strainer asked for clarification that there was no maintenance fee for the in-house system as compared to \$21,000 per year for the Kronos System. Mr. Sheehan replied affirmatively and added that the in-house system hardware would be replaced as needed.

Mr. Metthe questioned the initial cost for the in-house system which was listed as \$60,081 and added that he thought it would cost more. He advised that the IT Department should be focusing on the systems that were needed by the County and could not be purchased from outside companies.

Chairman Monroe advised that the funding for the time management system would consist of \$62,000 from the bond on the Human Services Building, \$52,000 from a transfer from the general fund and a proposed \$50,000 from the IT Department Capital Project. He added that the cost of the time management system would not directly impact the 2010 County budget. He said the funds could be expended regardless of which system was chosen. Mr. Strainer asked if the Kronos System was compatible with the New World System and Rob Lynch, Deputy Treasurer, responded that the New World System was able to interface with the existing Kronos Systems. Mr. Lunt noted that the Department of Public Works (DPW) and Westmount Health Facility were currently using the Kronos System and the County would merely be expanding the System County-wide. Mr. Pitkin asked if the DPW or Westmount Health Facility had realized the kind of savings that had been referred to by Mr. Payne. Mr. Payne responded that the Kronos System had been in place prior to his appointment as the Administrator of Westmount Health Facility; therefore he had no benchmark for comparison.

Mr. Taylor questioned if the \$48,000 for hardware for the in-house system would need to be expended every five years. Michael Colvin, Computer Programmer for the Sheriff's Department, said that he had just been informed that the Kronos System hardware life expectancy was 15 years and added that \$21,000 a year for 15 years was a lot of money. He apprised that even if the in-house system hardware did fail after 5 years, the money that would be saved would be significant. Mr. Taylor reiterated his question of would an additional \$48,000 need to be expended 5 years from now and Mr. Colvin responded in the negative, as computer terminals would be replaced as needed. Mr. VanNess noted that with the Kronos System if none of the computers or fingerprint keypad terminals were in need of replacement during the year, the County would still need to expend \$21,000. Mr. Lunt said that currently the DPW and Westmount Health Facility expended approximately \$7,000 per year on maintenance and an additional \$14,000 would be expended for the remainder of the County if they installed the Kronos System County-wide. He added that maintenance included 24 hour technical support.

Discussion ensued.

Mr. Metthe advised that the County had been discussing the Kronos System for four years and

the Treasurer's Office and the HR Department felt that it was the tool that they needed to get their job done. He said that the County had a \$60 million payroll and the Kronos System would help the County to control and administer the payroll and would provide accountability. He advised that he could not substantiate the dollar amounts that had been listed as the costs for the in-house system.

Mrs. Simmes stated that she was in favor of the Kronos System and added that it was better to go with the system that was tried and true. Mr. Taylor asked if there was a difference in security between the systems and Mr. Colvin responded they would be able to duplicate anything that the Kronos System had, such as the fingerprint keypads.

Mr. Colvin explained the current timekeeping system at the Sheriff's Office and asked what Kronos could do that they could not. Mr. Metthe asked Mr. Colvin if he had reviewed the specifications of the Kronos System. He advised that unless Mr. Colvin had looked at all of the system's features and researched the level of technical support, it was difficult to believe that the system could be duplicated in two months. Mr. Colvin asked Mr. Metthe if the IT Department had been asked to develop a system. Mr. Metthe replied that the two developers that were on his staff were capable of creating the system; however, he added, there were good time management programs available and it was a better use of manpower for the developers to work on other County systems.

Mr. VanNess stated that the Kronos System cost \$164,000 with an additional \$21,000 annual maintenance fee. He said that regardless of where the funding was coming from, it did not make sense to expend the funds when the County would need to layoff additional employees in the next few months in order to decrease the budget deficit. He advised that there was no reason to rush into a decision at this time, as the current time management system worked. He said that the Committee should review their options and take their time in reaching a decision.

Mr. Metthe stated that the Treasurer's Office and the HR Department had requested a tool to control and administer the payroll and the IT Department had made the recommendation of purchasing the Kronos Time Management System.

Judy Harris, County Auditor, commented that there had been some information reported in the morning edition of *The Post Star*, which had been incorrect. She clarified that she was an appointed Department Head, that Sheriff York did not speak for her and that she was not afraid to speak to the Board of Supervisors. She advised that after 30 years of working for the County doing fiscal management, she fully supported the Kronos System. She added there would be an initial expenditure of funds but it would save the County more money in the long run.

As there was no further business to come before the Support Services Committee, on motion made by Mr. Stec and seconded by Mr. VanNess, Mr. Sheehan adjourned the meeting at 10:04 a.m.

Respectfully Submitted,  
Charlene DiResta, Sr. Legislative Office Specialist