CITY OF APPLETON 2019 BUDGET CAPITAL IMPROVEMENTS PROGRAM
PROJECT REQUEST

IDENTIFICATION

Project Title: Enterprise Resource Planning (ERP) System

PROJECT DESCRIPTION

Justification:

During 2016, we selected vendors and negotiated contracts for a multi-year project to replace all of the software currently running on the iSeries computer, in anticipation of retiring that computer in 2020 at the end of its useful life. The financial system currently in use is 20 years old and is connected to various other, mostly custom programmed systems (cash receipting, payroll, utility billing, accounts receivable, etc.). The Assessor's and Asset Management systems are both custom programmed, therefore requiring in-house programming capacity and, because they run on the iSeries, tying us to an older programming language (RPG) for which programmers are increasingly difficult to hire. The number and complexity of the interfaces between all of these programs severely limit our ability to provide the level of customer service the citizens of Appleton expect and managers of City departments need.

The process for implementing new technology not only focuses on the technology itself, but also aims to enhance existing business processes performed by individual departments across the City by enabling them to adopt best practices in their various fields. Technology is intended to enhance departmental business processes by: improving decision-making by improving access to data an tools with which to analyze it; providing enhanced customer service to both internal and external customers; and, streamlining processes to reduce costs.

Per the recommendation from the project management firm, it was determined that the replacement project would be managed via two separate packages - a computer-assisted mass appraisal (CAMA) system for property assessments, and a traditional ERP package for all other applications. The Assessor's Office went live with the new CAMA system in August, 2017. The ERP system implementation began in the fall of 2016 and is expecting to continue into 2021. The implementation is broken into phases based on the modules expected to be implemented in a particular year. Phase 1, which includes the implementation of the City's general ledger, purchasing, accounts payable, accounts receivable, and document management modules is expected to go-live in November, 2018. Phase 2, which includes the payroll, time and attendance, human resources, tax collection, cashiering, cash management, and employee expense modules, is scheduled to go on-line in 2019. Phases 3 and 4, which include the code enforcement, permitting, business licensing, GIS, parking ticket, animal licensing, work order, inventory, fixed asset, fleet management, and contract management modules, is slated for 2020. Finally, phases 5 and 6, which include utility billing, citizen self-service, and debt management, is scheduled to be implemented in 2021.

Due to the change in the lead consultant from Tyler Technologies along with the loss of the City's project manager in late 2017, the project was delayed approximately one year. As a result, the majority of expenses expected to be incurred in 2017 were delayed until 2018 and were funded by money borrowed in 2017. No new funds were borrowed for the project in 2018. Thus, the $243,000 that was originally included the 2018 Budget for project expenses has been re-budgeted in total in 2019 and subsequent year budget amounts have been extended one year.

Discussion of operating cost impact:

Annual hardware and software maintenance for the ERP and CAMA systems would replace the maintenance fees currently paid for the iSeries and JD Edwards accounting software. The additional operating cost is noted below.

DEPARTMENT COST SUMMARY						
DEPARTMENT PHASE	2019	2020	2021	2022	2023	Total
IT ERP system	243,000	471,000	237,000	-	-	$ 951,000
Total - Information Technology Capital Projects Fund	$ 243,000	$ 471,000	$ 237,000	$ -	$ -	$ 951,000

COST ANALYSIS						
Estimated Cash Flows						
Components	2019	2020	2021	2022	2023	Total
Planning	-	-	-	-	-	$ -
Other	243,000	471,000	237,000	-	-	$ 951,000
Total	$ 243,000	$ 471,000	$ 237,000	$ -	$ -	$ 951,000
Operating Cost Impact	$ 123,000	$ 123,000	$ 130,000	$ 130,000	$ 130,000	$ 636,000