# Council Agenda Summary

Key Staff Contact:

John Karner, Finance Director
Paul J. Fetherston, Deputy City Manager for Enterprise Resources

## *Title:*
Public hearing and final reading of an ordinance appropriating additional sums to defray the expenses and liabilities of the City of Greeley for the balance of the fiscal year of 2021 and for funds held in reserve for encumbrances at December 31, 2020

## *Summary:*
This is the second supplemental appropriation ordinance modifying the 2021 budget. This appropriation ensures that existing commitments in progress at 2020 year end can be completed in 2021, designates funds for additional commitments, and appropriates new grants that have been awarded.

## *Fiscal Impact:*

| | |
|---|---|
| Does this item create a fiscal impact on the City of Greeley? | Yes |
| If yes, what is the initial, or, onetime impact? | $ 94,670,525 |
| What is the annual impact? | $ 94,670,525 |
| What fund of the City will provide Funding? | See Ordinance |
| What is the source of revenue within the fund? | Bond Proceeds, Grants, Pass-Through, Fund Balance, Private Contributions, Expense Reimbursement, & Operating Transfers. |
| Is there grant funding for this item? | Yes, Items 2, 5, 6, 8, &13 |
| If yes, does this grant require a match? | Yes, Items 2, 5, & 13 |
| Is this grant onetime or ongoing? | Onetime |
| Additional Comments: | Total appropriations made by this ordinance are $94,670,525. The following funding sources will be used to cover the appropriations made by this ordinance. |

| Source | Total |
|---|---|
| Bond Proceeds | $ 71,050,000 |
| Grants / Pass-Through | 11,350,957 |
| Fund Balance | 6,717,255 |
| Other Private Contributions | 5,120,000 |
| Expense Reimbursement | 381,313 |
| Operating Transfers | 51,000 |
| **Grand Total:** | $ 94,670,525 |

## *Legal Issues:*

City Charter prohibits actual expenditures from exceeding appropriations at the fund level.  This ordinance will ensure that this does not occur.

## *Other Issues and Considerations:*
## Oracle Update and Strategy Moving Forward

The supplemental appropriation includes a funding request from the Oracle implementation team that includes the City Manager's Office, Human Resources, Information Technology and Finance Departments in the amount of $250,000 for professional services support for the Oracle project.  As outlined below, the funding required for Phases I and II of the Oracle action plan is including within this supplemental appropriation request.  Upon completion of these phases, the City will have additional clarity on the scope of Phases III and IV and will come back to City Council to report on the scope of that work along with the necessary funding requirements.

*Background*

Over the past two years, the City undertook an analysis of its existing core enterprise resource systems.  An external team of experts recommended consolidating multiple antiquated City systems under a single modern enterprise wide platform that would allow the City to gain operational efficiencies, reduce cost, improve internal controls, and ultimately provide better customer service. The City accepted the recommendation and selected Oracle as its software vendor through a competitive bid process.  The project kicked off in June 2019 and the Oracle system went live on January 1, 2021.

The Oracle ERP implementation has had challenges, many of which are common to any new Enterprise Resource Planning (ERP) implementation effort (users getting comfortable with the new system, small system bugs during the early months of the project, etc.).  There were also external factors such as performance concerns with the implementation consultant, changes in leadership from the original City team, and a pause in the project due to COVID that added to these early struggles.  These challenges have lead City staff to deliberate on the appropriate action required to get the system operating at the level that was intended and realize the full benefits of being on a single modern system.

*Action Plan*

The challenges facing the City with Oracle are resolvable with the assistance of new external partners who can help get the system to operating at full capacity.   The following action plan that breaks into four different phases is intended to get the system fully operational:

| Phase | Title | Description | Estimate |
|---|---|---|---|
| I | **System Stabilization** | This Phase, which will focus on ensuring the data in Oracle is accurate and that the core functions are operating as required, is intended to stabilize the core areas of the system. | $100,000-$150,000 |

| | | | |
|---|---|---|---|
| | | It also includes the completion of a payroll and benefits audit to ensure the integrity of the payroll processing, and would combine consulting support between Phases I and II as needed. | |
| II | **Review and Learn** | This Phase, which will review the steps that were taken with the Oracle project – from planning, design, testing, and ultimately go live – to better understand where there were missteps and what changes and/or adjustments the City should make for future system IT projects, is intended to enable the City to learn from this experience as preparations for other modernization efforts required across the City.<br>It also includes the completion of an after action review of the ERP implementation and will combine consulting support between Phases I and II as needed. | $75,000-$100,000 |
| III | **Gap Analysis** | This Phase will focus on a full analysis of where those misalignments or "gaps" exist, gathering input from the enterprise resource team and end users across all City departments, and developing an execution plan for enhancing the Oracle system to ensure full alignment with existing City processes. | TBD: To be informed after Phases 1 & 2 are complete |
| IV | **Oracle 2.0** | This Phase will focus on making enhancements to the system to ensure full alignment with City processes. A robust training component will also be included to ensure city employees are informed of any system changes and comfortable with using the new system enhancements. | TBD: To be informed after Phases 1 & 2 are complete |

*Applicable Council Priority and Goal:*
*Image*: Reinforce Greeley's vision as an attractive and vibrant community in which to live, learn, work and play.

*Decision Options:*
1) Adopt the ordinance as presented; or

2) Amend the ordinance and adopt as amended; or
3) Deny the ordinance; or
4) Continue consideration of the ordinance to a date certain.

### *Council's Recommended Action:*
A motion to adopt the ordinance and publish with reference to title only.

### *Attachments:*
Ordinance
Detail Supporting Schedule
PowerPoint Presentation