



Memorandum

To: Mayor Nelson and Members of the City Council

From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer

Date: September 26, 2022

Subject: Fund Accounting Software

Staff is requesting authority from the City Council to purchase new accounting software from BS&A in the amount of \$136,735.00.

The City's current accounting software was purchased in 2003. The vendor, Central Square, is providing limited software support for this program along with subpar customer service. Staff is currently utilizing numerous Excel spreadsheets to make up for the lack of functionality within the software.

In addition, the City's building permit tracking software, Permit Works, is rumored to be phasing out of business. Staff has had limited success recently in obtaining support for Permit Works over the past several months, giving credence to those rumors.

Accountant Barker has summarized staff's experience with our current software package in a memo included with the agenda materials.

Staff has inquired with numerous other cities for potential fund accounting and permitting software solutions. Based on their feedback, staff solicited demonstrations from BS&A Software and Civic Systems. Based on those demonstrations, we believe that BS&A Cloud solution is the best fit for the City.

The BS&A software package will provide powerful financial reporting tools that can be accessed by Administration staff and Department Heads in real time from their computer workstation. In addition, the software allows our Accounting Clerk to scan invoices directly into the system and submit those invoices electronically to Department Heads for approval prior to printing checks. The software will also allow us to maintain our fixed asset schedule on site, rather than have it managed by the City Auditor, saving time and money.

The Human Resource Management Suite is much more than payroll. It empowers employees to submit their time cards electronically through the system. This was a suggestion several employees made during the Cultural Assessment Study. In addition, employees will be able to update contact information, W-4 information, and life event changes directly into the system. They will also be

able to obtain historical pay stubs and W-2 information. This self-service option will reduce staff time spent updating payroll and benefit information.

The Utility Billing system will allow customers to review their account information and pay their utility bills online.

The Community Development suite will allow for easier building permit tracking, online inspection scheduling, automatic document production, code enforcement tracking. The suite also allows residents and contractors to apply and pay for building permits online, rather than needing to come into City Hall for permits. In addition, it will allow pictures and inspection reports to be uploaded in real time and prepopulate any correction letters that need to be sent.

Brochures on these products are included in the packet for your review and information.

BS&A clients in the Twin Cities metropolitan area include Columbia Heights, Victoria, Wyoming, Corcoran, Dayton, Plymouth, Robbinsdale, New Brighton, Shoreview, Prior Lake, Forest Lake and Delano.

The quote we have received from BS&A is all-inclusive. The following is a breakdown of the quote:

Applications	\$ 20,250.00
Data Conversions/Setup	\$ 24,085.00
Customizations	\$ 1,500.00
Project Management	\$ 18,250.00
Implementation & Training	\$ 37,000.00
Post-Go Live Assistance	\$ 3,000.00
Travel Fees/Hosting	<u>\$ 32,650.00</u>
TOTAL	\$136,735.00

There are annual service fees of \$20,250. Those have already been included in the 2023 Budget.

Staff is recommending utilizing the following funds to cover the cost of the software package:

Capital Replacement	\$ 68,367.50
Public Utilities Renewal & Replacement	<u>\$ 68,367.50</u>
TOTAL	\$136,735.00

We believe this software will reduce staff time associated with processing accounts payable, maintaining the general ledger, processing payroll and updating human resource records, facilitating building permit scheduling, producing building permit/code enforcement letters, and more. In addition, this will provide the public the ability to pay utility bills online and to submit and pay for building permits online.

If you have any questions, please don't hesitate to contact me at 763-784-6491.