AGENDA MEMO
Business of the City Council
City of Sweeny, Texas

Meeting Date	04.02.2024	Agenda Item	
Approved by City Manager	Yes	**Presenter(s)**	Lindsay Koskiniemi, City Manager Joe Wertz, Director of Sales - Fund View
Reviewed by City Attorney	No	**Department**	Finance
Subject	Discussion and possible action to purchase a web-based enterprise resource planning (ERP) software solution to replace the existing accounting system and other systems that currently comprise the City's financial programs.		
Attachments	- City of Sweeny ERP Request for Proposals - Proposal response from Fund View (TX) - Proposal response from Aclarian (FL) 2022 Proposal from Tyler Technologies – Not Part of RFP - Email correspondence with auditor, former City Secretary, and Finance Director - FSBL Account **158 Feb 2024 statement - Logic Investment account Feb 2024 statement		
Financial Information	Expenditure Required:		Initial Year: $45,000.00 Subsequent Years: $42,500.00
	Amount Budgeted:		Information provided below.
	Account Number:		Various sources – provided below.
	Additional Appropriation Required:		
	Additional Account Number:		

Executive Summary

City staff and the professional audit team hired by the City have recognized for a long time that the current accounting system in place does not rise to the task of efficiently and effectively working for fund accounting in a municipal setting.

Ideally, all functions of finance would be conducted in one system – any monetized and budgetary functions, such as utility billing, payroll, annual budget, permitting, municipal court, etc. The City currently utilizes several different programs for all finance functions as provided in the system expenditure chart below. The systems currently in place to do "talk to each other." In other words, each program is not tied to another, which complicates reconciliation processes and is incongruent with transparent segregation of duties, a municipal finance best management practice.

MyGov	$16,128 (1,344 per month)
Sage 50	2,848
ADP (Payroll+TimeKeeping)	6,847
Tyler (PD Public Safety Suite; eCitations)	2,887
Tyler (Criminal Justice System-Court)	3,016
UDS	3,630
Gnxcor (Maintenance Care-work orders)	1,080 ($90/mo
Total	$ 36,436

The accounting system currently used is Sage 50, which is not ideal for any municipal finance setting. Sage is more appropriate for use in the private sector, as Sage is not set up for municipal functions such automation of numerically labeled requisitions to purchase orders with dual approval functions. When a purchase order is executed, the funds for that purchase order should them be encumbered so that year-to-date budget to actual information is available at any snapshot in time. When funds are not encumbered, fiscal year-end reconciliations are nearly impossible to do across several departments.

Currently with the fragmented systems in place, the annual cost is $36,436, and is expected to increase for Sage 50, as the current system will not continue to support the City's needs without an upgrade.

Staff has been working on pricing and negotiating with ERP vendors since July 2022, at which time the City obtained a proposal from Tyler (InCode) Technologies and found the annual costs were proposed at over $100,000. ERP's are not cheap, but this gave staff an idea of what to expect. The City received 2 bids at the conclusion of the ERP RFP solicitation from Fund View and Aclarian. The RFP was advertised publicly using the City's website, newspaper publication, and LinkedIn.

Another challenge staff faces with the current system is split funding payroll for employees who are paid from more than one fund. A majority of staff – most all administrative City Hall staff, most all Public Works, and all commissioned PD staff are paid from more than one fund. Sage does not have the capability to automate payroll draws from more than one fund, and neither does ADP, the City's current payroll provider. ADP offers split funded pay in a broader package that costs nearly $20k/yr. more than the entry level program we use for about $4,400/yr.

	FUND VIEW	ACLARIAN
INITIAL COST	$45,000	$96,806
ANNUAL COST	$42,500	$31,000
TOTAL	**$87,500**	**$127,806**

Upon review of the two submittals the City received and participating in demos of both software programs, staff feels Fund View is the more appropriate solution that most closely meets the accounting software needs of the City. Additionally, Fund View is $40k less get into than Aclarian. While location was not a consideration in the RFP evaluation, staff feels that Fund View is more adept to Texas municipal requirements, because Fund View is Texas-based.

Moving to a new accounting system will present an optimal time to reorganize account codes. Staff recognizes the need to split departments currently budgeted under Department 20 – Administration in the interested of financial transparency. Currently, departments included in Dept. 20 include:

- Office of the City Manager
- Office of the City Secretary
- Mayor and City Council
- Development Services
- Finance
- Human Resources

Staff is presently working on splitting departments and recoding accounts for better budgeting.

The proposed method of payment is:

<u>Initial:</u>

- FSBL Account 19158 Balance $32,176.90 (Council acted to allow City Manager to use funds at discretion of City Manager.) PROPOSED AMOUNT FOR INITIAL $31,454.09
- Logic ARPA 2ⁿᵈ Tranche Account Balance $11,045.91 – FULL LIQUIDATION
- Court Technology $2,500.00
- **Total $45,000**

<u>Yearly:</u>

- (Year 1 only) FSBL Account 19158 $722.81
- General Fund $30,777.19
- Enterprise Fund $7,500.00
- Court Technology $3,500.00
- **TOTAL $42,500.00**

Recommended Action

Staff recommends approval.

<u>Recommended Motion:</u>

"I move we accept the proposal from Fund View and authorize the City Manager to execute an agreement for services for a web-based enterprise resource planning software to replace existing programs."