



# City of Rowlett

## Work Session Agenda

### City Council

4000 Main Street  
Rowlett, TX 75088  
www.rowlett.com

*City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6115 or write 4000 Main Street, Rowlett, Texas, 75088, at least 48 hours in advance of the meeting.*

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Tuesday, February 11, 2014

6:00 P.M.

Annex Building – 4004 Main Street

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As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

**1. CALL TO ORDER**

**2. AGENDA ITEMS**

- 2A.** Discuss and consider options for Kids Kingdom, including timeline, playground options, costs, and fundraising efforts. (45 minutes)
- 2B.** Discuss and seek direction from City Council on the Community Development Block Grant (CDBG) Grant Resource Allocation. (30 minutes)
- 2C.** Discuss Enterprise Resource Planning (ERP) Software Acquisition. (60 minutes)

**3. ADJOURN**

*Laura Hallmark*

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Laura Hallmark, City Secretary

I certify that the above notice of meeting was posted on the bulletin boards located inside and outside the doors of the Municipal Center, 4000 Main Street, Rowlett, Texas, as well as on the City's website (www.rowlett.com) on the 7<sup>th</sup> day of February, 2014, by 5:00 p.m.



# City of Rowlett

## Staff Report

4000 Main Street  
P.O. Box 99  
Rowlett, TX 75080-0099  
www.rowlett.com

**AGENDA DATE:** 02/11/14

**AGENDA ITEM:** 2A

### **TITLE**

Discuss and consider options for Kids Kingdom, including timeline, playground options, costs, and fundraising efforts (45 minutes)

### **STAFF REPRESENTATIVE**

Jermel Stevenson, Parks and Recreation Director  
Keith Flournoy, Parks Division Manager

### **SUMMARY**

In August 2013, City Council directed staff to move forward with plans to install our new Kids Kingdom at Herfurth Park. A part of this direction was to work with the Parks and Recreation Advisory Board relative to bringing forward options to City Council during the first quarter of the new fiscal year. Therefore, this joint discussion is organized in order to obtain City Council's direction on the following items outlined for discussion:

- Playground options.
- Location options for placement of Kids Kingdom in Herfurth Park.
- Council will receive an update from the PARDners Foundation about fundraising efforts.

### **BACKGROUND INFORMATION**

Kids Kingdom was a playground the community built and completed in 1998. The playground was located in Pecan Grove Park and it was taken down in early June 2013, because of the risks associated with its construction dating from 1998 and the number of repairs needed to keep the structure safe for children. During the June 4, 2013, City Council work session, the Council set aside \$100,000 for the rebuild of Kids Kingdom. Members of Council challenged the community to match the funding for the rebuild.

In August 2013, City Council directed staff to move forward with plans to install our new Kids Kingdom at Herfurth Park. Our task as we move forward is to select a location at Herfurth that would "fit" into the current layout of the park and not impede the plans for future development. Staff has been tasked with working with the Park Advisory Board (PAB) to submit options to City Council relative to the type of structure to be constructed for our next community build project, a budget, establish a RFQ and a timeline. We have had numerous meetings with the PAB and have presented options from several vendors. On Thursday, January 30, 2014, staff met with la terra studio to review site options and establish a cost for site preparation. Shown below this table is a draft drawing with the proposed site at Herfurth.

Site	Footprint (in sq ft)	Explanation	Site Prep Cost
Site A (Yellow)	16,000	<p>This site is the location of the previous playground at Herfurth.</p> <ul style="list-style-type: none"> <li>• Relocate baseball light.</li> <li>• Remove existing base material.</li> <li>• Grade for drainage</li> <li>• Connect existing sidewalk to parking lot.</li> </ul>	\$16,100
Site B (Blue)	15,960	<p>Located just east of ball field #2 and west of the road. One concern is the location relative to the ball field and the road. Another concern is the ability to provide a level of shading relative to trees prior to any development.</p> <ul style="list-style-type: none"> <li>• Import soil</li> <li>• Grading</li> <li>• Add concrete trail connection to parking lot.</li> <li>• Add culvert crossing for parking lot trail.</li> </ul>	\$19,200
Site C (Red)	16,000	<p>This site is located north of the tennis courts.</p> <ul style="list-style-type: none"> <li>• Remove basketball court and pavilion</li> <li>• Remove electrical wires</li> <li>• Add soil</li> <li>• Grading of site</li> <li>• Add concrete to parking lot for handicap accessibility.</li> <li>• Add concrete trail from parking lot to playground.</li> </ul>	\$24,200
Site D (Teal)	16,000	<p>This site is located in the parking lot between the tennis courts.</p> <ul style="list-style-type: none"> <li>• Re-grade parking lot</li> <li>• Import soil</li> <li>• Grading of site</li> <li>• Add concrete to parking lot for handicap accessibility.</li> <li>• Add concrete trail from parking lot to playground.</li> </ul>	\$36,300



Rowlett  
TEXAS

la terra studio

We have reviewed with PAB options, timeline and proposed budget more recently on Wednesday, January 29, 2014. At that meeting, the PAB recommended we look at the option for a steel structure playground, which they felt is attainable based on their ability to match the \$100,000 that Council has provided.

## DISCUSSION

The discussion issues at hand are:

1. Which site in Herfurth Park would Council prefer the new playground to be installed?
  - a. Site A – Former playground location at Herfurth
  - b. Site B - Located just east of ball field #2 and west of the main road entering the park.

- c. Site C – Located north of the tennis courts where the pavilion and basketball court is situated.
  - d. Site D - Located in the parking lot between the tennis courts.
2. Will Council be willing to cover additional expenditures related to site preparation? The site preparation cost associated with each site is referenced in the previous table. PAB expressed concern that the cost for preparation of a site would take away from funds raised and the initial \$100,000 set aside.
3. What type of playground would Council prefer to see installed at Herfurth Park? PAB recommends that staff move in the direction of installing a steel type structured playground based on the following information.

<b>Playground Options</b>	<b>Structure Specialization</b>	<b>Estimated Cost</b>
1	Composite Wood	\$300,000 to \$600,000
2	Integrated Structures: Structural Plastic (Milk-Jugs) Composite Wood Steel	\$325,000 to \$450,000
3	Steel and Composite Wood	\$165,000 to \$250,000

- The first option was to look at replacing our playground with the same type of structure that was previously in place. Although this may be a popular choice because to the community it looks like the previous playground, it may not be feasible based on cost. Additionally, the maintenance requirement on this type of structure over a period of time can be labor intensive and costly.
  - The second option is a playground that uses an integrated approach, which means that recycled plastic, steel and composite wood is used. These types of structures have a similar look to our previous playground. Where the cost for installation may be less than option one (1), it far exceeds the current funds available.
  - Option three (3) is a playground that is primarily composed of steel features. These playgrounds look much like the types that are currently throughout our parks. They are also very colorful and come with integrated shade features. Also, the cost of this type of structure may be attainable with public support.
4. An open discussion is suggested between the Council and PAB to reaffirm the decision to move the playground to Herfurth Park.

**FINANCIAL/BUDGET IMPLICATIONS**

City Council has committed \$100,000 for the community build playground and has asked that the community match that amount. To date, \$825.30 has been received in contributions directly to the City for the project. This is not inclusive of the fundraising being conducted by the PARDners Foundation. The PAB recommends looking into the option of building a steel

structure playground at Herfurth with a budget not to exceed \$225,000. One thing that needs to be considered is the cost for site preparation, which will include things such as, soil testing, removal and replacement of fencing, concrete work, additional soil, tree planting, etc. These additional costs are between \$16,000 and \$35,500, depending on which site Council selects.

### **RECOMMENDED ACTION**

Our recommendation is to install the community build playground at the location of the previous playground at Herfurth Park (site A). This recommendation is based on the fact that the community has some familiarity with this particular site. In addition, it will have the least amount of impact on any future development plans and the cost of the preparation is the least of the four options presented by la terra studio.

Pending Council's direction on this project, the tentative next steps are the following:

February

- Determine Final Budget
- Newsletter/Promotions

March

- RFQ Out
- Award RFQ
- Select Community Build Partners/Captains

April

- Hold Park Design Day
- Council approves playground options

May

- Build Week



# City of Rowlett

## Staff Report

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**AGENDA DATE:** 02/11/14

**AGENDA ITEM:** 2B

### **TITLE**

Discuss and seek direction from City Council on the Community Development Block Grant (CDBG) Grant Resource Allocation (30 minutes).

### **STAFF REPRESENTATIVE**

Jim Proce, Assistant City Manager

### **SUMMARY**

On August 6, 2013, staff presented the CDBG annual plan for Council approval. In an effort to meet the CDBG reporting requirements, the plan was adopted as presented. Council expressed an interest in diversifying the programs and directed staff to further investigate the alternatives and to provide a revision to the plan to meet those needs.

Our consultant firm has completed inquiries with multiple agencies and has engaged viable options for discussion that will be presented at this work session.

This discussion is to update Council on the findings of this effort and to seek consensus on proceeding with the revisions to the annual plan and the 5-year consolidation plan. With Council consensus, staff will prepare the programs, plan revisions required, required legal advertising, consolidation plan publishing, and prepare the required public hearings.

### **BACKGROUND INFORMATION**

Since 2006, the City of Rowlett has typically utilized the proceeds from the Community Development Block Grant to construct Capital Improvement projects with the proceeds. A majority of the work completed during this time has addressed streets, drainage, sidewalks, and utilities needs in the area south of Main Street and immediately east of Rowlett Road.

On August 2, 2011, the City Council approved the 2011-2015 Community Development Block Grant Consolidated Plan. The 2011-2015 Consolidated Plan is the comprehensive planning document that details how the City will expend its federal funds during the 5-year period.

On August 6, 2013, Council adopted the CDBG annual plan as presented. The adopted 2013 Annual Plan details the proposed usage of the CDBG funds for the next year. However, pursuant to the City Council consensus, the CDBG plan will be revised to deliver a myriad of eligible services, programs and projects under this grant program. These services, programs, and projects will require revision to the previously adopted Consolidation Plan adopted in 2011. This effort will require advertised public hearings and plan revisions that will be brought before Council at a future meeting.

The City of Rowlett will be receiving a projected \$191,254 in CDBG funds for the fiscal year beginning October 1, 2013. The grant amount for 2014 has yet to be determined or published, but we expect this information to be provided in the next month or so. As required by federal regulations, CDBG funds may be used to support projects that assist low-income citizens, remove slum and blight, or for urgent needs (disaster relief). Eligible activities include Affordable Housing projects, such as Housing Rehabilitation, Homebuyer Assistance, and Acquisition; Public Services; Code Enforcement; Demolition; and improvements to Public Facilities, such as Parks, Streets, and Community Centers.

A series of two public hearings were held to obtain citizen comments regarding community needs and priorities for eligible programs prior to the City submitting the 2013 Annual Plan to U.S. Department of Housing and Urban Development (HUD) on August 16, 2013. The hearings provided information regarding the amount of assistance the City expects to receive (including anticipated program income) for the next fiscal year, the range of activities that are expected to be undertaken, the estimated amount of the anticipated funds that will be utilized to benefit low-moderate income persons, and the City's policy on minimizing displacement of any person.

The public was encouraged to attend any of the public hearings to provide citizen comment and input regarding the proposed priorities, funding, projects and activities. Following the public hearings and the Council's final approval on August 6, 2013, the proposed Annual Plan was submitted to HUD by August 16, 2013.

## DISCUSSION

As previously provided, the allocation formula provided for the following distribution of funds for the proposed 2013 budget for the CDBG Program:

<b>PROJECT</b>	<b>2013 CDBG</b>
Administration – Administrative and management costs for operational expenses of the CDBG Program and projects	\$38,250
Public Services – Funding for non-profit organizations to provide health and human services to low income or special need households	\$28,688
Public Facilities – Improvements to public facilities, including streets, parks, water, sewage, and drainage facilities in eligible low-income areas of the City	\$24,316
Owner-Occupied Housing – Funding for minor repairs for housing occupied by low-income homeowners	\$100,000
<b>TOTAL GRANT</b>	<b>\$191,254</b>

As this was the advertised allocation, it was part of the annual plan. However, after discussion with the City Council, the Council indicated a strong interest to revise the allocations. Subject to City Council consensus it was proposed to align the allocation as noted in the table below.

<b>PROJECT</b>	<b>2013 CDBG</b>
Administration – Administrative and management costs for operational expenses of the CDBG Program and projects	\$38,250
Public Services (capped at 15%)	\$28,688
Public Facilities – Improvements to public facilities, including parks in eligible low-income areas of the City (half of the 65%)	\$62,158
Public Facilities – Improvements to low income applicant homes, including weatherization programs (half of the 65%)	\$62,158
<b>TOTAL GRANT</b>	<b>\$191,254</b>

In an effort to provide a plan to meet the Council's stated desire, City staff and our CDBG consultant has investigated several opportunities. As a result, staff has approached several not-for-profit agencies with regard to the **Public Services** category (15 percent capped) and most of these agencies were unresponsive. These included local counseling services, food pantries, Habitat for Humanity, Rowlett Needy Children's Fund and the sort. Of the agencies contacted, there are two potential organizations that we would like to consider pursuing with the intent that agreements could be secured. The identified agencies are local not-for-profits [501(c)3]; SCOR (Senior Citizen's of Rowlett) and a local food pantry recommended by SCOR.

With regard to the **Public Facilities** category (65 percent not capped), there are two components being suggested, which was requested by City Council that this be split into two initiatives.

First, staff has identified one park area (Isaac Scruggs Park) that falls within a specified census tract that is eligible for improvements as a neighborhood park. Parks of regional or City-wide significance (like Herfurth Park) are not eligible and highly discouraged. The challenge is defining the service area for the park – because the park must primarily service low-income residents, which can be accomplished by funding parks located in low-income census tracts or block groups. However, if the park offers services that are considered to attract residents from neighborhoods outside of the neighborhood (service area), then the City would have to document that at least 51 percent of the people benefitting from those services are low-moderate income.

As such, the Parks and Recreation Department is developing a multi-faceted proposal that will be brought before the Parks Board and City Council if consensus to proceed is provided. Several options for facilities and amenities will be part of this proposal. This program could utilize as much as 65 percent of the available funding or the portion thereof as directed by Council.

Second, the other CDBG component we can consider for the "Public Facilities" item is a small housing rehabilitation program. This will include providing a Public Services Funding contract to be utilized with the funded organization, spelling out the CDBG requirements. The policy includes an approval process that includes an application and selection process for contractors and recipients. Our consultant has drafted a policy/practice that we will adopt if we obtain

consensus on moving forward. This program could utilize as much as 65 percent of the available funding or the portion thereof as directed by Council.

The last program item is the **Administration** costs of the program. By HUD guidelines, the expense to administer the program cannot exceed 20 percent of the grant amount. With the added desired components being proposed there will be an expectation that we will incur additional expenses both internally (for potential staff expense reimbursement) and externally by consultant costs more than that of previous years. This is due to the level of administration for multiple programs is greater than that of a single annual construction project. Staff will limit these expenses to a minimum and any residual amounts, if any, can be allocated to the “Public Facilities” projects to augment any projects or program established by this effort.

The next steps are:

- Prepare the revision to the annual plan and the current 5-year Consolidated Plan. Since these plans do not include the funding of Public Services components as an eligible activity they will need to be amended to provide for such.
- Gather applications from organizations and review and confirm their eligibility and prepare and execute contracts accordingly.
- Provide policy for Public Services funding.
- Provide policy for Housing Rehabilitation.

Each of these steps will come before the Council for discussion and periodic program updates.

#### **FINANCIAL/BUDGET IMPLICATIONS**

The current identified grant amount is \$191,254. This amount can be amended dependent upon applicable and qualified expenditures within the HUD guidelines. Failure to meet the requirements could result in reimbursement of expenditures.

#### **RECOMMENDED ACTION**

Provide direction to staff on the allocations and intent of the program expenditures to provide for execution of CDBG and its proposed programs as presented herein.

**AGENDA DATE:** 2/11/2014

**AGENDA ITEM:** 2C

**TITLE**

Discuss Enterprise Resource Planning (ERP) Software Acquisition. (60 minutes)

**STAFF REPRESENTATIVE**

Alan Guard, Director of Financial and Information Services

**SUMMARY**

In FY2010, the City began having conversations about our sustainability issues. While significant progress has been made toward a number of these issues, two sustainability items, public amenities and antiquated technology must now be addressed. Staff has been engaging the City Council in discussion addressing public amenities since this summer. The City Council was briefed on the sustainability issue specific to the state of our technology at the Council work session on April 2, 2013. At that time, Council reached consensus regarding the City's technology and made a significant commitment to invest in upgrading mission critical systems.

One aspect of the obsolete technology that has been discussed is the City's financial software. The City of Rowlett acquired the H.T.E. financial software from SunGard in 1996 and went "live" with it in 1997. While the software has received periodic updates, SunGard is discontinuing new sales of the H.T.E. product and will be systematically winding down support for the product over the next few years. In short, the product is at the end of its useful life. The software runs on an IBM AS400 that is also at the end of its useful life. This agenda item is provided to respond to questions from the City Council identified at the January 14, 2014, workshop and identify options for Council consideration in regards to the acquisition of new financial software.

**BACKGROUND INFORMATION**

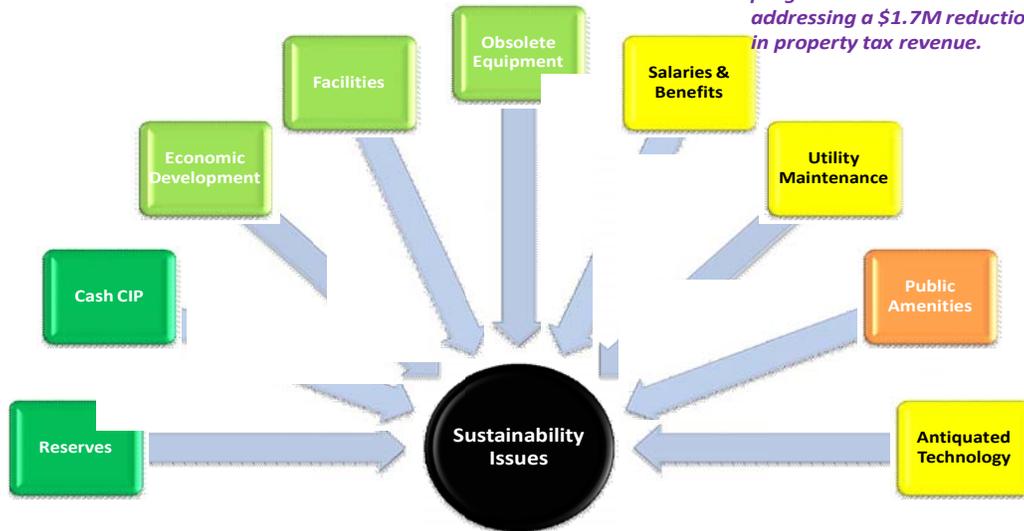
The City Council was briefed on the status of the City's technology at the work session on April 2, 2013, by Information Technology Consultant Chip Collins. The presentation included information from the sustainability presentation made to Council in FY2010 and provided a context for the need to make significant investments in both hardware and software. Because of funding limitations over the past 4-5 years, the City has been forced to be very strategic about where it allocates its investment and has further challenged the City in being fiscally sustainable.

Chart One below graphically illustrates the relative position of our sustainability challenges as of today, with green meaning strong progress has been made, yellow meaning some progress has been made, and orange/red meaning these issues still need to be addressed.

## CHART ONE

# Sustainability Issues

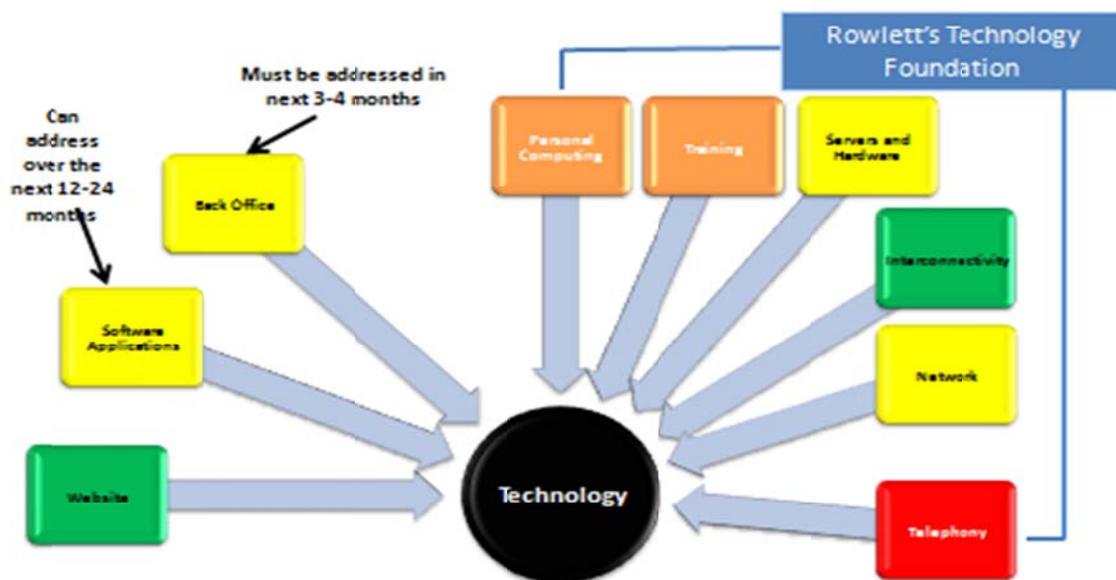
Over the past four years, the City *has* begun building funding strategies for our most significant sustainability challenges. This chart represents the relative progress made while addressing a \$1.7M reduction in property tax revenue.



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You can see from the above chart that Antiquated Technology is highlighted in yellow meaning it needs to be addressed but we want to acknowledge that we have made significant progress with hardware. The slide below is from the April presentation and describes the state of the technology components as evaluated by Mr. Collins. This also has been updated to reflect our progress.

## CHART TWO



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Following the presentation at the April 2, 2013, City Council meeting, the Council reached consensus and agreed conceptually to fund improvements to the technology infrastructure. The FY2103 budget was amended and a number of projects related to the technology foundation were funded and implementation started. The chart below was originally presented as part of Chip Collins' presentation. It has been updated to include funds that have been budgeted for projects in FY2014. Funds budgeted for Projects #1 and #2 are for the actual lease payments. The funds for #8 are for the additional costs of providing 24/7 support for the Police CAD system.

**CHART THREE**

Item	Project	Description	Original Estimated Total Cost FY2013-FY2017	Estimated FY2013 Cost	Budget FY2014
1	Network infrastructure rebuild	Project includes redesigning and realigning the existing network (to be financed with a 5-yr lease, \$100k contingency, managed solution & maintenance agreement)	\$757,000	\$309,000	\$125,641
2	New servers	Project includes replacement of 12-16 servers (to be financed with a 5-yr lease & 3 yr maintenance agreement)	400,000	81,800	102,124
3	Evaluate & correct <i>Active Directory</i>	Includes evaluating the City's existing <i>Active Directory</i> and making necessary corrections, if necessary, to improve reliability.	30,000	30,000	Project completed in FY2013
4	Upgrade City to 64 bit environment	Upgrades all personal computing devices (i.e. personal computers, laptops, and servers from 32 bit) to 64 bit technology	40,000	40,000	-
5	Telephony	Project includes replacing the existing telephone hardware/ software system and digital headsets with Voice over IP (to be financed with a 3-yr lease & maintenance agreement beginning FY2014)	180,000	-	180,000
6	Improve & simplify internet connectivity	Still under review. Includes evaluation of existing external broadband capabilities	540,000	60,000	60,000
7	Back office	*Includes moving email, exchange, & personal computing to Office 365 *To be evaluated for FY2014 and could	197,000	-	95,000

Item	Project	Description	Original Estimated Total Cost FY2013-FY2017	Estimated FY2013 Cost	Budget FY2014
		include a subscription based system with external hosting			
8	Upgrade maintenance support on the Police CAD system to 24/7	Upgrades existing maintenance support to 24/7 after the first year (i.e. FY2014) – PD Budget	306,800	-	61,360
	<b>Total</b>		<b>\$2,450,800</b>	<b>\$520,800</b>	<b>\$624,125</b>

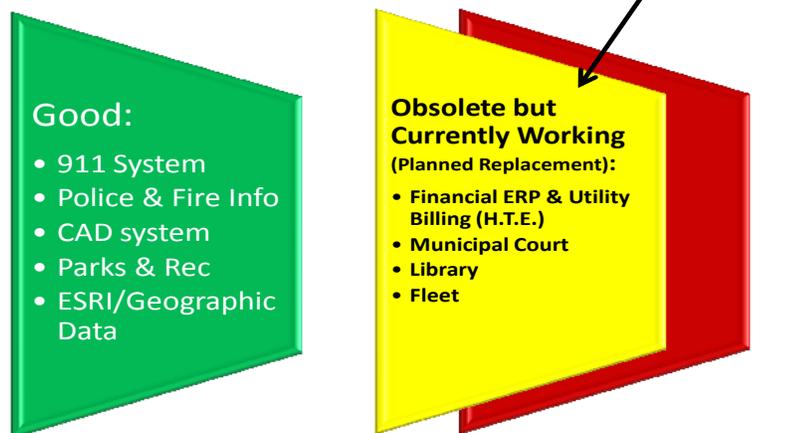
Green indicates complete and/or ongoing.

Yellow indicates in-progress.

Regarding the City’s primary software systems, Mr. Collins provided the following analysis. His evaluation of the software included an assessment of how long the City had owned the software, the version of the software currently installed versus the most current version available, and the maintenance and upgrade history of the software. He also took into consideration functionality issues as identified by users. Based on these criteria, he classified the City’s main applications listed below as either “Good” or “Obsolete but Currently Working”. Funding for purchasing of or lease payments for these have also been included in the FY2014 budget and 5-year financial model as noted in the table above.

#### CHART FOUR

### Software Applications



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#### **DISCUSSION**

At the January 14, 2014, City Council workshop, the Council requested information on a number of issues related to this purchase. The major issues that require discussion include:

- Provide information related to the total cost of ownership (TCO). This includes costs related to the network and servers, as well as staff time.
- How will the additional functionality improve efficiency/effectiveness for departments? Provide examples of efficiencies that can be considered a return on investment (ROI).

- What happens if we do not make this purchase at this time? Is it possible to postpone this purchase for a year?
- Council wanted to meet Tyler representatives and discuss contract language to ensure the City would retain its investment if we migrate to a hosted solution in the future. A Tyler representative will be in attendance at the February 11<sup>th</sup> workshop and the February 18<sup>th</sup> regular City Council meeting.

In regards to the core financial software, or enterprise resource planning (ERP) system, staff has been through a year-long process to complete a needs assessment from a functionality perspective, training on how to acquire and implement an ERP system, an RFP process, on-site demonstrations from three ERP vendors and a site visit to an area city to view the software in a real-world environment. Based on the results of this process, staff has recommended the purchase of the Munis product from Tyler Technologies of Falmouth, Maine.

### **Cost Comparisons**

Tyler Technologies has provided both the cost of a hosted solution and the cost if the City were to purchase and host the software on-site. Below is a comparison of the 7-year total cost of ownership for a hosted versus an on-premise solution. In addition, included are the same analyses for the other five vendors that submitted proposals. The only proposal that has a lower cost than the Munis On-Premise solution was sent in by Conquest IS. This company scored very low in the evaluation for a number of reasons, including being in business for only three years, a very small client base (fewer than 25) and no references in Texas.

Please note that the relevant cost of acquisition assumes 7-year financing. Also, staff has added personnel and network costs associated with having an on-premise solution at roughly \$29,752 annually. This cost is not included in the hosted solutions.

#### **MUNIS – ON-PREMISE SOLUTION (7-YEAR FINANCING)**

<b>Munis- Own</b>	<b>Year1</b>	<b>Year2</b>	<b>Year3</b>	<b>Year4</b>	<b>Year5</b>	<b>Year6</b>	<b>Year7</b>	<b>Total</b>
<b>Implementation</b>	130,998	130,998	130,998	130,998	130,998	130,998	130,998	916,986
<b>Maintenance</b>	1 <sup>st</sup> year Included	98,598	100,570	102,581	104,633	106,726	108,860	621,968
<b>City Costs(1)</b>	29,752	29,752	29,752	29,752	29,752	29,752	29,752	208,264
<b>Total</b>	160,750	259,348	261,320	263,331	265,383	267,476	269,610	<b>1,747,218</b>

#### **MUNIS – HOSTED (SAAS) SOLUTION (7-YEAR FINANCING)**

<b>Munis-SaaS</b>	<b>Year1</b>	<b>Year2</b>	<b>Year3</b>	<b>Year4</b>	<b>Year5</b>	<b>Year6</b>	<b>Year7</b>	<b>Total</b>
<b>Implementation</b>	78,327	78,327	78,327	78,327	78,327	78,327	78,327	548,289
<b>Annual Fee</b>	269,514	269,514	269,514	269,514	269,514	269,514	269,514	1,886,598
<b>Total</b>	347,841	347,841	347,841	347,841	347,841	347,841	347,841	<b>2,434,887</b>

#### **RamCo – ON-PREMISE SOLUTION (7-YEAR FINANCING)**

<b>RamCo</b>	<b>Year1</b>	<b>Year2</b>	<b>Year3</b>	<b>Year4</b>	<b>Year5</b>	<b>Year6</b>	<b>Year7</b>	<b>Total</b>
<b>Implementation</b>	254,012	254,012	254,012	254,012	254,012	254,012	254,012	1,778,084
<b>Maintenance</b>	1 <sup>st</sup> year Included	158,400	158,400	158,400	158,400	161,568	164,799	959,967
<b>City Costs (1)</b>	29,752	29,752	29,752	29,752	29,752	29,752	29,752	208,264
<b>Total</b>	283,764	442,164	442,164	442,164	442,164	445,332	448,563	<b>2,946,315</b>

**SunGard – ON-PREMISE SOLUTION (7-YEAR FINANCING)**

SunGard (2)	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Total
Implementation	161,877	161,877	161,877	161,877	161,877	161,877	161,877	1,133,139
Maintenance	1 <sup>st</sup> year Included	223,688	225,925	228,184	230,466	232,771	235,098	1,376,132
City Costs (1)	29,752	29,752	29,752	29,752	29,752	29,752	29,752	208,264
<b>Total</b>	191,629	415,317	417,554	419,813	422,095	424,400	426,727	<b>2,509,271</b>

**AMZUR – HOSTED (SAAS) SOLUTION (7-YEAR FINANCING)**

Amzur - Hosted	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Total
Implementation	221,713	221,713	221,713	221,713	221,713	221,713	221,713	1,551,991
Annual Fee	368,700	368,700	368,700	368,700	368,700	368,700	368,700	2,580,900
<b>Total</b>	590,413	590,413	590,413	590,413	590,413	590,413	590,413	<b>4,132,891</b>

**Quintel (SAP) – ON-PREMISE SOLUTION (7-YEAR FINANCING)**

Quintel (SAP)	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Total
Implementation	265,256	265,256	265,256	265,256	265,256	265,256	265,256	1,856,792
Maintenance	1 <sup>st</sup> year Included	369,683	369,683	369,683	369,683	369,683	369,683	2,218,098
City Costs (1)	29,752	29,752	29,752	29,752	29,752	29,752	29,752	208,264
<b>Total</b>	295,008	664,691	664,691	664,691	664,691	664,691	664,691	<b>4,283,154</b>

**Conquest IS – ON-PREMISE SOLUTION (7-YEAR FINANCING)**

Conquest IS (3)	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Total
Implementation	65,713	65,713	65,713	65,713	65,713	65,713	65,713	459,991
Maintenance	1 <sup>st</sup> year Included	106,600	106,600	106,600	106,600	108,732	110,907	646,039
City Costs	29,752	29,752	29,752	29,752	29,752	29,752	29,752	208,264
<b>Total</b>	95,465	202,065	202,065	202,065	202,065	204,197	206,372	<b>1,314,294</b>

**Notes**

- (1) City Costs include 30 percent of the cost of the network and servers and 8 hours per week of a System Administrator position.
- (2) Does not include the Utility Billing module. This would be an additional cost.
- (3) This company is only 3 years old and has fewer than 25 clients with no clients in Texas.

Munis representatives will be available to explain their pricing structure.

**Improved Functionality and Return on Investment**

The City asked vendors to provide information regarding their software’s functionality in specific areas (e.g. accounting, purchasing, budget, utility billing, code enforcement). This part of the RFP was designed from the needs assessment done for each department and was completed in such a way as to improve reporting, eliminate “shadow systems” (spreadsheets or other manual systems), and provide better, real-time management information for operations. This level of functionality will improve a number of City processes in the following ways:

- **Efficiency** – Less manual/shadow systems, quicker reporting of the Comprehensive Monthly Financial Report (CMFR) and Comprehensive Annual Financial Report (CAFR), less duplication of work and more streamlined processes (i.e. JEs, approval routing, vendor payments, etc).
- **Reliability** – Less probability for human error due to reduced shadow systems, system updates keep financial data in compliance with Governmental Accounting, Auditing, and

Financial Reporting (GAAFR) requirement and Generally Accepted Accounting Principles (GAAP), improves confidence of financial output for strategic decision making.

- **Transparency** – Allows for easy access to real time data, which promotes immediate, more accurate financial information to all departments such as their budget to actual, CIP and Grant financial status and payments to vendors.
- **Centralization** – Significant data that is currently 100 percent manual and single-source through shadow systems (i.e. Capital Assets & Grants) will be in an ERP database, structured by controlled processes and available to the organization based on security.
- **Minimize Risk** – By using a role based system that improves financial controls and requires consistency of processes.

At the Council Work Session, several City employees will share individual processes that are required for their job and will describe how much time a new system will save over the current process and the estimated dollar amount of efficiency created. While it is difficult to calculate an overall total return on investment, the Council will hear from employees about how the new system will create efficiencies and add significant value for our customers. Below are several examples.

***Utility Billing processes new service applications, transfers and end-of-service applications every day. In an average year, Utility Billing staff process 1,560 total applications. It takes an average of 20 minutes to process an application. That is a total 520 hours or 0.25 FTE of a customer service representative. At \$15.60 per hour for this position, this is a total cost of \$8,108. The new system will change the process so that the amount of time is reduced by half, or about 10 minutes per application. This will create an efficiency of 260 hours or a value of \$4,054.***

***During the year, the Senior Accountant must photocopy all records related to capital projects including the purchase order, invoices, checks and other backup documentation for every capital project transaction. It is estimated that this takes 103 hours of this person's time at a cost to the City of \$3,042. An integrated ERP system would eliminate the need to do this and save the entire amount.***

***Another Accounting function is the processing of journal entries. These are prepared in a spreadsheet, printed out and then re-keyed into the system by the Human Resources Coordinator. This takes up 38 percent of the Human Resources Coordinator's time, 808 hours at a cost of \$16,961. An integrated ERP system would eliminate the need to do this and save the entire amount.***

***The Purchasing division is responsible for ensuring that city departments follow all procedures and regulations in regards to state law and City ordinances. In order to ensure compliance, they have to document, file and maintain thousands of records each year. Being able to attach documents electronically will save an estimated 216 hours of staff time in Purchasing as well as additional time in Accounting. This would be an efficiency savings of \$5,711.***

***Preparing the monthly purchasing report takes about one day per month pulling together all the information from various sources and entering data into a spreadsheet. This costs 416 hours or \$10,999. With the new software this report can be produced with a single key stroke.***

***A basic and daily process of Code Enforcement involves initial inspections; this process includes the following steps:***

- 1. Violation identification***
- 2. Write up door hanger to leave on front door***
- 3. Take photograph***
- 4. Document inspection location and photo information on log sheet***
- 5. Create case by type of violation (if more than one violation identified each case must be created separately)***
- 6. Upload photographs***
- 7. Identify property owner via Dallas County Appraisal District***
- 8. Edit violation letter template with owner information, violation description, code officer signature, and phone number (one for each violation)***
- 9. Copy original violation letter to file***
- 10. Mail violation notice***

***This process takes approximately 8 minutes of combined Code Officer and Community Services Specialist time to complete. In FY 2013, Code Enforcement identified an average of 807 violations per month. Utilizing an average salary of \$22.00/hr, this costs \$28,406 per year. The new software would decrease the time spent on this process by 6 minutes by eliminating six of the steps identified above with an equivalent annual increase in efficiency of 968 hours valued at \$21,305.***

By using new ERP software, **the six processes identified above would save 2,771 hours and add efficiency valued at \$62,072.** It is fair to say that each department has between 20 to 100 other processes like these that will be impacted by the new software and will create thousands of hours of time and hundreds of thousands of dollars of return on investment over the life of the software.

**What happens if we don't make this purchase? Is it possible to wait a year?**

While this is an option for the City Council, this is not a preferred option. Implementation time for a new system is estimated to be about eighteen months. Therefore, if we were to postpone this acquisition a year, the wait is actually 2.5 years. While maintaining the current system for a year would be a challenge, trying to keep it up and running for 2.5 years has a high level of risk. A catastrophic failure of the H.T.E. system could occur and be detrimental to the City's operation. Depending on the time of the year, a catastrophic failure could cause significant delays in sending out utility bills and subsequently collecting water and sewer revenue and a system failure could delay the ability of the City to make purchases or conduct Municipal Court. A hardware failure would be just as catastrophic. Finding replacement parts or a complete new or rebuilt AS400 would be a challenge and would take several days to install and configure, again delaying our ability to serve our customers and severely impacting our ability to conduct business.

It is staff's professional opinion that delaying the replacement of this critical system is not prudent or advisable.

## FINANCIAL/BUDGET IMPLICATIONS

On-Premise Acquisition - The total cost of life for the first seven years of the software is outlined below. Interest is estimated at 2.75 percent for seven years. Maintenance is expected to increase at 2 percent per year.

<b>Munis- Own</b>	<b>Year1</b>	<b>Year2</b>	<b>Year3</b>	<b>Year4</b>	<b>Year5</b>	<b>Year6</b>	<b>Year7</b>	<b>Total</b>
<b>Implementation</b>	130,998	130,998	130,998	130,998	130,998	130,998	130,998	916,986
<b>Maintenance</b>	1 <sup>st</sup> year Included	98,598	100,570	102,581	104,633	106,726	108,860	621,968
<b>City Costs(1)</b>	29,752	29,752	29,752	29,752	29,752	29,752	29,752	208,264
<b>Total</b>	160,750	259,348	261,320	263,331	265,383	267,476	269,610	<b>1,747,218</b>

### Notes

- (1) City Costs include 30 percent of the cost of the network and servers and 8 hours per week of a System Administrator position. These costs are already part of the IT operating budget.

This cost is within our budget. The City budgeted \$175,000 per year for the lease payment and \$80,000 for software maintenance, for a total of \$255,000. The estimated combined average annual cost for Munis is \$234,659 which is in our budget resources.

## RECOMMENDED ACTION

Staff recommends bringing forth an agenda item for City Council approval for the acquisition of the Munis software from Tyler Technologies at the February 18, 2014, City Council meeting.