

Responses to Council Questions and Comments

11/18/2024

Item #7: Authorizing the City Manager to Sign Agreements with Strada Global, SpryPoint Services Inc., Plante Moran, and Nicholson Strategic Services for ERP Implementation; and Authorizing the Job Classification Allocations Associated with the Adopted Fiscal Year 24/25 Budget by Adding Two (2) Fixed-Term Accountant Positions, One (1) Fixed-Term Accounting Technician Position, One (1) Fixed-Term Accounting Assistant I/II Position, One (1) Fixed-Term Human Resources Analyst I/II Position, and One (1) Fixed-Term Human Resources Specialist Position for Assistance During and After ERP Implementation

- **Question:** What is the cost of hiring 6 people for 2 years? Who would join the team just for two years unless there was a promise up front of possible future employment unless they came from the vendors themselves and are trained and know the system already and then go to next city for implementation?

- **Response:** The ERP System is essential for the City to meet its statutory obligations for financial reporting, provide necessary tools for payroll and human resources management, serve the community with an accessible utility billing system, and enable electronic workflows for major citywide processes such as procurement, grants, projects, accounts payable, accounts receivable, timekeeping, payroll processing, and cashiering. The 16-year-old financial system currently in place along with the lack of a comprehensive system for human resources capital management leads to inefficiencies, inadequate internal audit capabilities, and higher risk for human error due to disjointed systems and multiple points of data entry. As the City continues to grow, modern information technology tools will enable economies of scale, faster processing times, higher accuracy, and improved analytical abilities and data-driven decision making.

These systems will be integrated to provide seamless workflows. Unlike the current system, Eden, the planned ERP products are modern systems with open interfaces that enable integration with other systems and workflows. These integrations will improve staff efficiency and reduce errors and rework due to disparate applications and manual data entry and processing.

To successfully implement the ERP system, additional staff will be necessary to back-fill Finance and Human Resources functions. The plan to bring in fixed-term staff to handle day-to-day operations so that the City's subject matter experts can focus on configuring and testing the new system was developed based on department assessments, the project timeline and scope of work, conversations with other agencies who have recently implemented ERP systems, and past experience with these projects. Given the accelerated timeframe to ensure the City is no longer using Eden by the sunset date of spring 2027, and the known failure factor of understaffing, the City is taking a proactive approach to ensure success. As a People First organization, additional staffing will help to prevent

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the low morale, burnout, and turnover that is typically experienced when staff are expected to implement large-scale projects on top of their regular job duties. The City decided to request fixed-term positions in the hopes of hiring staff who could fully integrate with the departments and the City organization. Quite often, fixed-term staff apply for other positions within the organization as their assignments come to an end, making this another potential recruitment pathway for the City. It can be more difficult to recruit for fixed-term positions, and if the City is unsuccessful in finding qualified candidates for these positions, then a staffing firm may be considered instead. The requested funding and positions assume that these positions will be filled for a full 24 months each.

The Finance Department requests a total of four fixed-term positions, two for the Accounting Division and two for the Revenue Division. The Accounting Division requires two Accountant positions, one to backfill regular accounting duties and day-to-day operations, and the other to support payroll and ensure that payroll continues to be accurate and on-time during this project. The Revenue Division needs one Accounting Technician and one Accounting Assistant I/II. These positions will support utility billing functions as well as accounts receivable and business licensing duties. The additional capacity for both divisions allows the department to split focus between regular day-to-day operations and the ERP implementation project, including configuration, data conversion, testing, and training. The estimated cost for the four Finance positions is \$1,206,600.

In Human Resources, one HR Analyst will act as subject matter expert to establish workflow and standard procedure elements for the HCM core functions of the new system will be required. The HR Director will also serve as a subject matter expert on talent management and performance to establish the workflow and standard procedures. Adding one HR Analyst and one HR Specialist position will backfill the HR Analyst fully focused on the ERP implementation and add capacity to the overall team as various members are pulled into different parts of the implementation. The 2-year limited fixed-term positions will maintain the day-to-day full-service HR functions while the subject matter expert is fully dedicated to the implementation project. The estimated cost for the additional HR staff for the duration of the project is approximately \$645,600.

- **Question:** Can we get a short summary of this process in person at the meeting so this process is more transparent and public (and council) knows it is all about increase efficiency and future cost effectiveness?
 - **Response:** Of course; we are happy to discuss the item if requested.