

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

June 4, 2024 at 6:15 PM

Chairman Long called the meeting to order.

The Clerk called the roll.

Present: Aldermen Long, Levasseur, E. Sapienza, Fajardo

Absent: Alderman Thomas

Messrs.: A. Chhom, J. Fortier, S. Wickens, P. Sharp, Alderman Terrio

1. Communication from Matthew Normand, City Clerk, regarding a proposed extension of the cable franchise agreement with Comcast through October 18, 2030.

*On motion of **Alderman Fajardo**, duly seconded by **Alderman E. Sapienza**, it was voted to approve.*

2. Communication from Amy Chhom, Manchester Development Corporation Chairman, requesting approval of its 2024 Strategic Plan Version 2.0.

***Alderman E. Sapienza** moved to approve. **Alderman Fajardo** duly seconded the motion.*

Chairman Long stated the only changes from what we already approved are on Page 8. They revised it according to what we requested on the RFP impact and the change of use in development.

Amy Chhom, MDC Chairman, stated we are here to answer any questions you may have.

Alderman Fajardo asked did Jeff Belanger review this.

Ms. Chhom answered no. That wasn't part of the request but he has been engaged. I met with him over the past few months trying to figure out ways we can collaborate better. He seems to be a champion of this.

Chairman Long stated Jeff is aware that the aldermen recommended these revisions.

Alderman Fajardo stated I appreciate the language change. I know it is subtle but I think it is meaningful so thank you.

***Chairman Long** called for a vote. There being none opposed*

3. Communication from Jean Fortier, Director of Information Systems, requesting approval to replace existing software systems with Tyler's ERP Solutions/MUNIS ERP Financial System and for bond funding in the amount of \$3,952,753.

Jean Fortier, Director of Information Systems, stated thank you for your time and consideration tonight. Essentially we are looking to replace four systems. Two of them are outdated end of life systems. These are critical systems for the city to operate. The other ones aren't being used interdepartmentally so we would like some software to maximize the interactions between departments. We will go through that briefly here.

Sharon Wickens, Finance Director, stated the modules that we are looking to replace are the financials, the tax revenue module, asset management, DPW's IBM, time and attendance which is DPW and Airport who use UKG and permitting and licensing is on Central Square the same as financials.

Mr. Fortier stated the financial software is one of those pieces that is outdated. It was written in the late 80's and early 90's. If you are familiar with the green screen, it has a web face to it now but the software is dated and very hard to integrate with other systems. One of the big pieces to this whole thing is credit cards. At the time that software was written, cities didn't accept credit cards so the cash receipting system didn't accept credit cards. Anytime that we go to accept credit cards at a particular location, we need another piece of software and another credit card process. These are very difficult things. We have brought a few of these agreements before the Board to get approval. This would give us a single unified interface to accept anything that is a cash receipt. The real key to this whole thing as far as the financials go is that at some point this is no longer going to be supported. They are not making any changes to this thing. Like I said, it was software written in the 90's and the system itself, people don't go to school for these old IBM systems so these are slowing aging out. Essentially at some point it is not going to be in their financial interest to support the system. The key to this is we don't want to be in a place where they say...you know you sign a yearly contract and they might say you have a year to get off the system. That is not a feasible thing to do. These things take multiple years to migrate off of in a manner that doesn't disrupt any operations. As far as the asset management system, currently DPW uses Maximo which is another IBM product. That architecture is at the end of its life in 2025 and they are going to extend their support so we have a little bit of time with that but essentially any deployment of that is like doing a brand-new deployment because they are changing the system. Time and attendance. We mentioned that we are using two different UKG platforms. We want to consolidate it into one time and attendance platform. That will integrate with the Tyler payroll system. The other thing is permitting and licensing. That is Track-It and is currently only being used by PCD. There was an attempt to get it deployed at City Clerk, Health and Fire but the software was not capable of meeting their requirements. The other piece, too, is we are running into a situation where 65% of our internet traffic is on mobile devices. With that interface, there is really no functional equipment. In talking to Jeff Belanger, at some point we are going to be forced to put all of permitting and licensing publically available information out and we don't really have a mechanism to do that currently.

Ms. Wickens stated my biggest fear is they are going to tell us something like as of December 31 we are shutting this down. We are kind of left with no choice. They are

no longer updating the system and we had to look at something else. Tyler is a modern financial system that will be around for years to come. It is unified cashiering and payments. It is highly secure. The migration of DPW to the Tyler Enterprise Asset Management System and the implementation of the Tyler Time & Attendance module...there are not many systems out there that can support as many departments as Tyler does. If you just look at the screen, there are many things that the city can do being on the Tyler system. Water Works already has all of their financials on the Tyler system. They were on Timberline and instead of going to Central Square, they choose to go with the Tyler system. It is much more user friendly for anything they do. They have mobile handheld units in the field and those will all be able to interface in real-time with the system. Central Square just can't do that. Their system is up and running really well. The Payroll system should be up in running in the next month or two. They are also very happy. The reporting is so much better on the Tyler platform. They are also deployed in a lot of New England communities, including a lot of communities here in NH. They have significant experience with migrations from Central Square which Phil will elaborate on. We won't be the first one to migrate off of Central Square. They have many, many Central Square clients. They have a unified secured platform for payments. We have a lot of requirements that we have to abide by and I know it is difficult for all the times you have to go in and do various things. This is just going to make so much more sense security wise for the city and for our reporting. Their focus is solely on government software. They don't do anything else. There are many departments throughout NH that are on this particular software. They have a Cloud-based enterprise ERP solution, which will modernize the city's financial management. The HR module will be up at any time. Payroll will also be up and running in the next couple of months. Tax and utility billing, collections, asset management and civic services such as permitting and licensing. I will stop talking about all of the good things that they do and let Phil, this is Phil Sharp from MUNIS.

Phil Sharp, Strategic Account Sales Executive, Tyler Technologies, stated I have been with the business now for just about 19 years. Joining me to my left is Christine Voss. Christine has been with the business for 25 years. Christine has a specific focus in New England. My core audience and core charge with the agency is really working all over the eastern U.S. from Portland, ME to Michigan to Mississippi to Florida and back up. What we thought may make some sense here is to quickly provide you with a couple of pieces of information around who Tyler is and then open the floor for you to certainly ask us any questions around what our products and services do, how we deliver and what our approach is to the marketplace. We fully recognize the investment that we are coming to you as a group and asking for and I want to make sure that you feel confident and comfortable with the potential provider network. It is worth noting out of the gate that we are the largest company in the U.S. that is dedicated to providing the public sector solutions. As you heard a few moments ago, we now have over 40,000 installations in 13,000 individual locations and 72,000 employees and team members who wake up with the core charge of enriching our client experience from an automation and efficiency platform. You will note that some of the different areas of government that we serve are on the screen in front of you but really the charge is to provide and wrap governments with all of the software systems that they need to be able to take information from a whole host of disparate not only departments but systems and bring them together to make excellent informed capital resource planning decisions, growth decisions and utility decisions. That is the first thing that is probably worth noting. In

the state of NH, and this is really Christine's stomping ground, but there are today 47 trusted partners and collaborators in the state who are leveraging some form of a Tyler software product in their ecosystem. You will note that there are 29 municipal departments, 3 state agencies, 8 counties and 7 districts. I think if you were to interview some of the peer audience of state users, some of the feedback that they would offer around our solutions are a lot of what we heard in the opening comments, which is that we provide you a holistic integrated platform. The data and information is being captured, stored, maintained and reported on in a modern and efficient platform by a trusted vendor who has been in this space now for over 30 years. One of the things that we will mention here momentarily is kind of the current platform and ecosystem that you are on today. I know that was just briefly covered. It is imperative to understand that our footprint, while nationally, really has been born out of our commitment to the regional locations. Out of the agencies that I just referenced that are specific to the state of NH, we consistently are engaged with those client communities to insure that the knowledge gap and the information understanding of not only the solutions that are available out there but how to peer network one-on-one. As many of you appreciate in the positions you are in today, it is incredibly valuable to make sure that you are not on an island; to make sure that you are one of many in a common cause and goal using similar solutions to make sure that you are getting all that you need to run your cities, towns, counties and communities. We talked a little bit earlier about Tyler's footprint, specifically as we referenced the incumbent platform and our experience migrating off of that platform. We will talk to that momentarily but today over 30% of the cities with a population over 100,000 are leveraging the very products and services and tools that we are promoting and collaborating with – the IT, Finance, HCM, Water utility and the like. I think that if nothing else, it should give you some comfort to know that this is not a first cut blazed trail for you. There are agencies in cities across this country who have gone through a similar process of data migration, of knowledge transfer, organizational change management and taken that leap to use tools and products that not only will serve the back-end office of the City of Manchester, the Finance Office and HCM and Payroll but really also the more modern area of systems which is client and resident facing to insure a belief and an understanding that we can make payments online and we can review our historical water consumption online and see if we are past due with a bill and also forward through that process their experience of collection and payment. On average, Tyler is performing between 70 and 90 of these migrations across the country on a given year. Here is a short list of some of the migrations that we have done from the Central Square incumbent platform. Not all had the same exact footprint or the same exact functional layout that you are looking at as part of your ERP suite but absolutely different variations. Our products are designed to be consumed by skews based on what is necessary for you. We don't design the product and give it to you. We let you come to us and tell us what is important to you for your day-to-day business operation. We work with your operational teams to create, devise and build a plan, not only from a product perspective but from an institutional knowledge transfer perspective. We want, and our clients are successful, when Tyler goes live that you are empowered users of your solution and that the end user community knows how to use those products efficiently. Again, we will provide you all of this data and information if you don't already have it but we want to make sure you are aware of our success in doing so.

Chairman Long stated we have your presentation and have reviewed it. Could we open it up to questions? One is the \$3.9 million bond. Does that include set-up and training?

Mr. Sharp answered it absolutely does.

Chairman Long asked does this program allow for expansion as things change within the city.

Mr. Sharp replied our products are continuously taking R&D dollars...different programs and different providers have different ways to license their solutions. We do it primarily on a site license. So if the finance team here goes from 25 to 50, there is no additional cost for the City of Manchester.

Chairman Long asked how is your history with security.

Mr. Sharp responded security is fantastic. We just recently moved into a Cloud platform. Cloud deployments are now really only available in the ERP sector. There are very few on premise solutions any longer. We run on AWS, which is a world-wide leader in hosting platforms with tremendous security operations. We would be happy to provide you that detail.

Alderman Fajardo stated in looking at the cost breakdown, you have two years listed out. I am wondering what happens after 2026? Is this just the implementation piece? For example, I am seeing annual SaaS fees. Do those not go beyond 2026?

Ms. Wickens replied the expectation is that we would be up and live by then. If we weren't, obviously training and whatever we would need to happen would continue past that. This is just what we anticipate for each year's cost. The cost wouldn't increase with these. Maybe implementation would be delayed by a few months. I don't know but am making that up but the cost would say the same. It would just take us longer to go live.

Alderman Fajardo asked so there is no ongoing contract fee.

Mr. Sharp stated I think it is important to note that our proposal and the way our solutions are delivered are really multi-structured. There is an ongoing SaaS fee, which is an annual access fee to the solution. Then there are the one-time professional services, conversions, migrations and project management fees that are associated with the project.

Alderman Fajardo asked so is the \$638,550 every year.

Mr. Sharp answered that is correct.

Alderman Fajardo asked so we are just seeing this out two years because that is inclusive of the implementation.

Ms. Wickens replied yes. Currently we are paying fees for Central Square. This is just going to replace that. We would no longer pay those fees.

Alderman Fajardo asked what are the Central Square fees now.

Mr. Fortier stated just for the financials this year, it is \$231,000. We expect that price to go up substantially. Essentially the model that we see in the software at the end-of-life is they try to maximize their profit from a declining customer base. They are not selling this software anymore. They are only losing customers. We are anticipating those costs going up significantly. I don't have all the costs for all of the different software products we have but I could get that. The Track-It piece is close to \$100,000 a year.

Chairman Long asked can you give us a rough idea. Is it \$300,000 or \$400,000? I am just trying to calculate the added cost.

Mr. Fortier responded between all of those, I would anticipate Central Square going up in the next two years roughly 10% and Track-It went up about 15% in 2022 but we anticipate them going up again in the 5% range. Between those two that would probably be in the \$400,000 range. I don't have the numbers on Maximo and UKG because I don't pay those bills but I can get those.

Chairman Long stated well if it is a little over \$400,000, we would be adding about \$300,000.

Alderman Fajardo stated on behalf of myself and everyone else who goes to the dump, will I be able to pay with a credit card there.

Mr. Fortier responded that should happen sooner. It would have happened if we had this software. That is one of the places we have been trying to work on for the past year and a half on. Hopefully that will be done shortly. That is the challenge with all of these things. That is just one part and it has taken an inordinate amount of time to take a payment.

Alderman Fajardo asked so in theory all of the departments will be on the same system and will that fall on you and your team to maintain it.

Mr. Fortier answered no. This is all maintained by the Tyler folks. Anything that is a cash receipt will be able to be paid through that unified plan.

Alderman E. Sapienza stated thank you for the presentation. Do we have any contractual obligations with the current providers?

Mr. Fortier replied those contracts are done yearly but essentially they could come to us and say at the end of your current contract we are no longer going to support this.

Alderman E. Sapienza asked so it is a year-to-year contract.

Mr. Fortier responded yes.

Alderman E. Sapienza stated with that, all of this great stuff that is coming with these good folks here, could it come through the current provider.

Mr. Fortier replied unfortunately they are not making any changes to the system and haven't in the past decade.

Alderman E. Sapienza asked so we don't have a lot of faith in the current provider.

Mr. Fortier answered correct.

Alderman Fajardo asked are there any additional departments apart from what is already listed that will need to migrate onto Tyler or will this two-year implementation essentially cover all city departments.

Mr. Fortier replied essentially the financial module will impact every department. That is going to be the first thing that we do. It will impact purchasing and those sorts of things in every department.

Alderman Fajardo asked for the better.

Mr. Fortier answered yes. It will give us a solid system for reporting. Right now, if you go to any department, everybody has spreadsheets with all of their different budget information because it is impossible to get that data. We keep track of personnel costs in spreadsheets.

Alderman Fajardo stated I do this for my day job so I appreciate this and recognize the value.

Mr. Sharp stated one of the things that we like to do is really make the analogy of when you get some data technology and platforms, some of which have served you incredibly well at a very fair and honest price point, it is like going from an old cellphone to an iPhone. You can make the phone call and somebody can track you but think of all of the different things from a technology perspective that are afforded to you on an iPhone today. Ultimately, I think that is where the citizenry and the base is now headed.

Alderman Terrio stated it is my understanding that Water Works is getting new software. Are they going with this company and if not, is this company compatible with the software that Water Works is getting?

Mr. Fortier replied yes they are getting Tyler. They have actually already implemented Tyler financials.

Chairman Long asked this added \$300,000 a year or so, does it include maintenance and service so there are no added costs. That is inclusive for the year?

Mr. Sharp answered yes.

Mr. Fortier stated if the city had purchased Tyler in 1996 when the original system was put in place, we wouldn't be here before you because we would have been upgraded to the current version as part of that maintenance cost. That is where we would be. It

does put the city in a solid position for the future so that going forward we won't be doing this again in 10 or 20 years.

Chairman Long stated thank you for that because for years I have been saying we need an update. We are just way behind in things that will help our constituents to pay their bills, etc.

*On motion of **Alderman E. Sapienza**, duly seconded by **Alderman Fajardo**, it was voted to approve the project and refer the Bond Resolution to the Committee on Finance.*

Chairman Long stated Alderman Terrio submitted a Conflict of Interest proposal that we would like us to review. I would accept a motion to put this on the table for our agenda next month.

*On motion of **Alderman E. Sapienza**, duly seconded by **Alderman Long**, it was voted to table the Conflict of Interest proposal.*

*There being no further business, on motion of **Alderman E. Sapienza**, duly seconded by **Alderman Fajardo**, it was voted to adjourn.*

A True Record. Attest.

A handwritten signature in black ink, appearing to read "Matthew Normand". The signature is fluid and cursive, with a long horizontal stroke at the end.

Clerk of Committee