

Issue: Funding Mechanism to Pay for Technology Needs

The City of Modesto relies upon multiple systems (hardware and software) to meet its daily business needs. As the City continues to grow, the demands placed on the existing systems grows as well. Keeping these systems current, and thereby meeting business requirements, is critical for the continued success of the City. Unfortunately, many of the City's critical systems are outdated and no longer able to adequately support the current / future business needs of the City.

Currently, the City has no mechanism in place to accumulate funding to pay for the upgrade or replacement of our large-scale systems. Such systems are costly and take time to implement, so long-term planning is essential. Doing nothing would continue to expose the City to risks, costs and inefficiencies and will continue to worsen, as the current systems become more outdated. With no additional staff as well as the possibility of a reduction in staff, improved technology and the efficiency that it provides should be on the City's highest priority list.

Background:

Some of the City's current systems are out-of-date and no longer meet the demands of today's business environment and/or cannot be integrated with other critical systems where required. These problems lead to inefficiencies in the way business is done and lead to errors as a result of relying on manual tasks that should be automated through integrated system solutions. The following is a partial list of the numerous applications the City utilizes daily to serve the public:

- AMS Financials for accounts payable/receivable, purchasing, and position control
- BRASS for city-wide budgeting
- HTE for accounts receivable, utility billing, and cash receipts
- PathLore for training administration
- MAIS for business licenses
- Computer Aided Dispatch (CAD) System for 911 regional calls
- Tidemark for permitting
- CassWorks for facilities maintenance/management
- Class for recreation management
- SunPro for Fire Records Management

Departments also use a variety of homegrown solutions for timesheets, grant and project management, benefits and performance management, and budget development and tracking. This large assortment of 'stand-alone' applications creates a complex environment making it difficult to get the information needed from the systems. This also forces IT to develop and support custom scripts, reports, and interfaces to successfully connect this disparate information, resulting in increased overhead to operate these systems. Many, if not all, of these individual systems would be included in a single enterprise-wide system and would function together without the need for special programming and development.

Two of the systems mentioned require immediate attention: Financials and CAD. These systems do not fully meet the City business needs of today, and certainly won't meet near future needs. As a result, staff has developed unsupported shadow systems to help fulfill

business needs. This results in duplicate and conflicting information, which can cause staff to inadvertently use false or inaccurate data. The inability to fund the upgrade of these systems will have significant effects on the City's future ability to effectively carry out business.

Financials:

On behalf of the City of Modesto, Gartner recently completed a Business Process and Systems Requirements Analysis study that independently confirmed our conclusion that many of our existing business applications are not meeting the City's business requirements. Topping the list were recommendations that the current Financials, Customer Service, and Human Resources systems be replaced with an effective Enterprise-wide (ERP) system that seamlessly integrates all applications into a single, consolidated system. Although the City has created a partially-funded CIP to address the need for Financials Systems Improvements, further funding still needs to be identified to actually acquire and implement this ERP.

CAD:

The existing 26-year-old Computer Aided Dispatch (CAD) system utilized by Stanislaus Regional 911 to handle its 911-call taking and dispatching functions for 23 police and fire agencies throughout Stanislaus County does not meet today's business needs. This system lacks integration capabilities with the City of Modesto Public Safety Systems, does not provide adequate timely reports, runs on outdated hardware, and is complex to use. All of these issues cause problems, the most severe of which is the potential for delayed response times from Dispatch and our Public Safety organizations. Recently the City, working jointly with Stanislaus County has put together a plan for the replacement of the Stanislaus Regional 911 CAD system and the City of Modesto Public Safety Systems with a current, state of the art Integrated Public Safety package. The team is within 60 days of selecting a system that will replace the existing CAD system. Unfortunately, as with other systems requiring upgrade or replacement, funding is not currently available.

Policy Recommendations:

Staff recommends the Council establish long-term funding to be used to update technology on a regular, periodic basis. Planning for the ongoing upgrade and replacement of major City systems, assures the City's systems provide the maximum benefit and efficiency. The City will also likely save money over the current approach to technology projects, which actually encourages departments to procure their own software, missing the opportunity to consolidate and re-use applications.

The recommended approach would involve establishing a value for the existing portfolio of business applications and supporting hardware, determining the expected life cycle for these systems, and then calculating what the annual investment would be in order to maintain these systems in proper running condition (upgrades, replacements, enhancements).

The establishment of a Technology Fund Reserve allowing the City of Modesto to begin to upgrade and integrate the systems would manage financial requirements. Funding would be placed into the Technology Fund Reserve (TFR) as part of the annual budget process. Each year draws against the TFR would fund specifically designated, enterprise-wide projects.