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October 7, 2009

REPORT OF THE JOINT COMMITTEES
ON INFORMATION TECHNOLOGY AND FINANCE

The Committees on Information Technology and Finance met in Joint Session on October 7, 2009, with Chairmen Bruce Desmond and Maryann Heuston presiding and Finance Committee Member Alderman John Connolly also present and voting. Also present were Administrative Assistant Matt Dias, Chief Information Officer Karthik Viswanathan, Purchasing Director Rositha Durham, Deputy City Auditor Ken Costa, David Florina from IT, City Clerk John Long, Chief Financial Officer Ed Bean, Jim Hurley and Christine Lyden from Tyler Technologies and interested members of the public.

A quorum was not present for the Information Technology Committee, therefore, the meeting continued as a Finance meeting, only.

Mr. Viswanathan spoke about the current financial system and its inherent problems and explained that the city currently operates two distinct accounting systems, one for the city side and one for the School Department. Since these two systems cannot exchange data, a reconciliation of expenses is performed on a weekly basis. In addition, maintenance is required on two systems as opposed to one. Because of the complexities of the city's current systems, the IT Department is expending valuable man hours performing functions in support of various city departments. With an integrated and updated accounting system, many of these functions could be delegated to the individual departments throughout the city. The current systems lack the ability to adapt to new technology and place constraints on the city's ability to enhance online constituent services. There is limited software support available which contributes to unacceptable system down time. There is no sharing of data between city departments, e.g., between Fire Prevention, Inspectional Services and the City Clerk's Licenses and Permits functions. Revenue collection is delayed and that impacts the city's ability to make the best use of available funds.

The MUNIS system that is being considered contains a portal that would allow citizens to conduct various business operations via the internet, e.g., real estate tax and utility bills, business licenses, animal licenses, non-criminal tickets and would also provide a foundation for efficient integration for electronic ticketing and online appeals. The purchasing process would operate more efficiently with the consolidation of procurements system for the City and School sides and through the implementation of an online approval system. Fixed assets could be tracked, multi-year projections could be developed, operations could be decentralized to expedite the budget preparation cycle, disaster recovery would be enhanced and specialized reports, such as those required by the Department of Education, could be produced. Mr. Viswanathan told the members that the financial modules could be in place by July 1st and that a full implementation of the product would take about one year.

The projected return on investment is between 3.3 to 3.9 years. Mr. Bean noted that interest rates are very favorable right now and said that it is conceivable that the city could secure a 3% interest rate if it moves quickly. By law, the funds to pay for the new system could be borrowed over a ten year period. Mr. Bean went on to say that the critical need has existed for several years and the City of Somerville is lagging

behind other municipalities in this area. The MUNIS system is currently used in 1300 communities nationally, 150 of which are in Massachusetts.

(The meeting was recessed in order to convene and immediately recess another Finance Committee meeting. This meeting was then reconvened.)

The committee discussed matters before it and took action on the following 2 items:

188179: Communication from Mayor - Requesting approval of an appropriation and authorization to borrow \$1,707,000, for the issuance of a bond to procure an Integrated Accounting and Financial Mgmt. System.

RECOMMENDATION: Should be approved

VOTE: Unanimous, 3 - 0 in favor

188183: Communication from Mayor - Requesting the acceptance of a \$20,000 grant from the Commonwealth Security Trust Fund for the Police to equip its mobile command post with public safety equipment.

RECOMMENDATION: Should be approved

VOTE: Unanimous, 3 - 0 in favor

Alderman Maryann Heuston, Chairman
Committee on Finance