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Committee:	**Date**:
Information Technology Board	2022-01-25
Common Council Item Number:	**Date:**
22-3496	2022-02-02
Submitted By:	**City Administrator Approval:**
Chris Pofahl	Kevin Lahner
Finance Department Review:	**City Attorney's Office Review:**
Denise Vandenbush-Kohlmann	Brian Running
Subject: Tyler Munis Software as a Service	

Details:

Tyler Munis is the City's Enterprise Resource Planning (ERP) system, AKA the financial system. It is used for accounts receivable, accounts payable, cash receipting, and tax bill creation. The software version we are on is approaching it's end of support date, and while the ability to upgrade to the next version is part of our annual support contract, the resources from Tyler support to perform the upgrade is not. We have been with Tyler since 2011, and they have been generous with their support, and have never charged us to help us with upgrades. To get the support we for upgrades we need to add Tyler System Management (TSM) Services to our annual support.

During the 2022 operational budget process we (IT) had lengthy discussions with our Tyler account executive about adding TSM, lead times to get on Tyler's upgrade schedule, and we also inquired about Tyler's Software as a Service (SaaS) offering. During those discussions we learned that Tyler is changing their software development lifecycle, and newer software versions will be coming out at a more rapid pace, and older versions will be retired at a more rapid pace.

Looking at the costs to include TSM versus the move to SaaS, the Finance Director, IT Director, and City Administrator determined that moving to the SaaS offering would make most sense long term. It will take 4 years to realize the SaaS return on investment, but the short-term benefits would be immediate. The benefits include: Version upgrade priority, Tyler System Management, disaster recovery, nightly backups, and end user training.

Options & Alternatives:

There are two alternatives: Stay with the current support model without TSM, or add TSM and stay self-hosted. Neither are economically or technically viable.

Financial Remarks:

The increase to move to SaaS was planned for in the 2022 IT Operational budget, as well the need to increase budget based on the quote from Tyler. Over 4 years the cost of SaaS averages 5% more a year than self-hosted, but averages 9% less than self-hosted years 5-8. Please refer to the cost comparison attached.

Executive Recommendation:

The increase to move to SaaS was planned for in the 2022 IT Operational budget, as well the need to increase budget based on the quote from Tyler. Over 4 years the cost of SaaS averages 5% more a year than self-hosted, but averages 9% less than self-hosted years 5-8. Please refer to the cost comparison attached.