NEWBERRY COUNTY COUNCIL WORK SESSION
MINUTES
February 07, 2024

Newberry County Council met on Wednesday, February 07, 2024, at 5:00 p.m. in Council Chambers at the Courthouse Annex, 1309 College Street, Newberry, SC, for a Work Session.

Notice of the meeting was duly advertised, as required by law.

PRESENT: Todd Johnson, Chairman
Robert N. Shealy, Vice Chairman
Leon Fulmer, Council Member
Les Hipp, Council Member
Travis Reeder, Council Member
Johnny Mack Scurry, Council Member
Karl Sease, Council Member
Jeff Shacker, County Administrator
Karen Brehmer, Deputy County Administrator
Debbie Cromer, Finance Director
Major Robert Dennis, NCSO
Rick Farmer, Director at Newberry County Economic Development
Eric Nieto, I.T. Director
Karen Lindler Smith, Treasurer
Crystal Waldrop, Purchasing Director
Andrew Wigger, Clerk to Council/PIO

Mr. Johnson called the meeting to order at 5:00 p.m.

1. Review and discussion of proposed purchase of General Ledger / Enterprise Resource Planning software.

- Mr. Shacker said at the last meeting (January 17, 2024) staff had a software recommendation for council for a proposal solicited. Council requested additional information, which was put together by Mr. Nieto.
- Mr. Nieto presented a PowerPoint addressing concerns discussed during the previous meeting and said he thinks Newberry County can overcome those concerns. The PowerPoint presentation is presented within the minutes.
- One issue addressed was if Tyler Munis was more for the financial side, as opposed to the tax side. Mr. Nieto had a conference call with Ms. Karen Lindler Smith and Springbrook and they discussed if there were any advantages as far as tax component. Mr. Neito said general ledger wise all the proposed companies have the same features, some being better than others. He said they didn't find any advantages on the tax side and found a lot of advantages for the administration side, which is why Munis was chosen. Some of those advantages included purchasing, department budgets, connecting with vendors, etc., all modules with the Tyler software.
- Mr. Shealy added that these could all be added on.
- Mr. Nieto said they spoke to a lot of counties and cities and asked their opinions about the software and got very positive opinions. Within the last week, Mr. Nieto spoke with Spartanburg and Orangeburg and said he heard a lot of positivity on how they went through a similar process, brought in a lot of other companies, and looked at their products and chose the Tyler Munis product.
- He said Orangeburg added a lot of those extra modules, like the payroll, time keeping, utility billing, fleet maintenance, etc. He said adding all those modules took Orangeburg time to implement, which was one of the negatives that was brought out when Ms. Smith called them. The reason for the negative comments on the implementation was because they added all those additional modules.
- Mr. Nieto said they also spoke with Greenwood and Pickens, and both were very positive, as were other cities they called.

- Mr. Nieto spoke to someone in finance in Orangeburg who said running checks and batch check printing was very easy. She also said the system was very easy to learn and was trained by a co-worker.
- Mr. Nieto said trust was brought up; he said a few points that he felt made Tyler look strong included number of employees (7,200), amount of customers (13,000), support staff (1,321) and how many years in business (50).
- Mr. Nieto said Tyler did cost a bit more than the others, but it also offered a lot more. The functionality, features, and ease of use were above everything else. He added that as they went through the demonstrations of the five proposals, expectations just went higher and higher. Other benefits of Tyler that go into the cost included e-procurement, bid management, licensing, customized dashboards and access and functionality for department heads and council.
- Mr. Nieto added that the Tyler also comes with over 30 licenses, plenty for directors and everyone at the admin office.
- Mr. Shealy asked if the modules like fleet maintenance were included in the price or is that was extra. Mr. Nieto said that would be extra.
- Mr. Shacker discussed pricing, he said there were changes to information received at the last meeting. In the revised cost spreadsheet, in the original spreadsheet the implementation, migration, and training costs were put with the year one cost, in the new spreadsheet those costs have been separated out. He said the cost of Oracle was higher in the second than the first and with Tyler there were some cost reductions. He said Mr. Nieto worked with Tyler to look at their quote for implementation, migration, and training and that is a work in progress. He said the decrease is a product of some of the discussions Mr. Nieto has had with Tyler.
- Mr. Shacker said there was as cost reduction of about $7,000 in the annual recuring expense (for Tyler) for years one through five. That was a recommendation to council that they remove a module from Tyler called statement builder, which facilitates taking the data out of the general ledger and producing financial statements. Mr. Shacker said initially, they will not need the statement builder because they will not need it until after the first fiscal year they have fully

implemented the software and it can be added later. Tyler would honor the pricing in the proposal, and they can add it at any time.

- Mr. Nieto said a question that was brought up during the last meeting from Mr. Johnson was can the county access Newberry County data and can the export data be imported. Mr. Nieto said absolutely they can. He said to make this migration happen no matter what company they choose, QS1 support will need to go into the software and tell (the system) what money belongs to what balance so when the data is exported, it makes sense for the general ledger. He said that is a one-time cost, billed hourly, and is estimated between $3,000 to $6,000. Once that is done, they can export the data at any time.
- Mr. Reeder asked when looking at the cost -- the initial cost and the implementation cost -- if those are added together. Mr. Shaker said yes and a lot of that was open to interpretation because the county will try and negotiate the best price they can. He said on the year one through five numbers, they tried to average the cost.
- Mr. Johnson said regardless of which vendor they choose; they will still need an interface between QS1 to the general ledger. Mr. Nieto said the way it was explained to him, once they alter the tax software database they will have to create a report and verify the numbers are correct and in that report there is an option to convert that report to a file.
- Mr. Johnson asked who could run that report. Mr. Nieto said anyone with a login could run that report as long as they have the knowledge to do so.
- Mr. Johnson said sometimes in the software world, if you don't get it when they offer you the package there is an increase to add it later. Mr. Johnson asked if staff checked about the assurances of offering all the modules at the current offering. Mr. Nieto said after speaking to Tyler, the only module they could use is the statement builder.
- Mr. Johnson said the one he considered was the asset management and depreciation since that is now required areas for government, he asked if they are using software for that at present and is that something the county can access through Tyler. Ms. Waldrop said

they have a Smith program where she keys in the assets and tracks them in Excel. Mr. Johnson said if they move to software they may need asset management, Ms. Waldrop said that is included already. She added that what they have now does not talk to the other programs.

- Mr. Johnson asked about software conversion, if they can covert what they currently have in their software and if this price includes that conversion. Mr. Nieto said that is part of the migration process and Tyler will send employees to make sure everything gets transferred correctly. Mr. Shacker added that they do a significant amount of data validation, as well.
- Mr. Johnson said data conversion is a very difficult process, it is a time-consuming process and he wanted to make sure that was included.
- Mr. Johnson asked, regarding the software the county is purchasing, if the county will have data ownership and if that can be pushed out to CSV, or another program, if the county chooses to move to another direction. Mr. Nieto answered in the affirmative.
- Ms. Smith said she has been doing a lot of thinking, a lot of talking and a lot of soul searching, and she is willing to give Tyler a try, but after all the training and the county goes live, she wants it in writing that after a year's time, that she can go with who she really wants to go with, Springbrook.
    - o Mr. Nieto added, for clarification, if she is not happy with the system. Ms. Smith answered yes and if they do not perform and if there is a problem.
- Mr. Johnson said while he cannot speak for everyone, but after a year if it is not working the county has bigger problems countywide. He further stated he doesn't know if the council can commit to letting Ms. Smith randomly pick a vendor and not go through procurement and processes.
- Ms. Smith said she has already picked hers and she is just doing this just because and it is not in her favor to go with Tyler.

- Mr. Johnson followed up and said he told Mr. Shacker this earlier, but he could not commit authorizing Ms. Smith to pick a vendor at the end of a year.
- Ms. Smith said she wants it signed that she can go with who she originally wanted to go with.
- Mr. Shealy said after they choose one, he doesn't think they can sign off to go with another one.
- Mr. Johnson said you don't know who could be in the market in a year and anything can happen between now and a year.
- Ms. Smith said that was one of her conditions because she is not in favor of Tyler, but she is willing to give them the benefit of the doubt.
- Mr. Reeder asked Mr. Shacker if the county would use this for payroll. Mr. Shacker answered no, and the county uses ADP.
- Mr. Shacker said it their job (administration) to make sure the system works, and to make sure Ms. Smith and her staff have what they need, it works properly, and it makes what they do easier and better.
- Ms. Smith said as far as two software programs are concerned, taxes are going to stay with QS1. Mr. Shacker said that will remain a familiar product. Ms. Smith added that she thinks it will be much easier (going with Springbrook), but she is willing to give Tyler the benefit of the doubt.
- Mr. Johnson said a year from now is a big prediction as several members of council are up for re-election, but he is willing to say if it is not working after a year, he is willing to sit down and listen to her and reconsider the situation. However, to say she can have whoever at that point, he could not commit to that. He further stated he doesn't think he could if he wanted to because they cannot bind another council over to a decision.
- Ms. Smith said she was not for Tyler then. She said she heard too many bad things, good things, wishy-washy things, and she is willing to give a little bit, but she is not in favor of them at all.
- Mr. Sease asked after the five years what each company said about their yearly cost. Mr. Nieto said he spoke to the two companies they were discussing now (Springbrook and Tyler), and they both said they

would honor a maximum riser of either three or five percent. Mr. Shacker said that would be spelled out in the contract.

- Ms. Smith asked if the county was going to go unprotected during the implementation process (somewhere between nine months to 18 months) because QS1 (Springbrook) told her they would keep the county's old series on, and if they chose Springbrook they wouldn't you know, and the county is not going to have anything, and she doesn't see the county going a year without any kind of support.
  - ○ Mr. Nieto said if he understands correctly, QS1 has sent out a letter (Ms. Smith clarified there were two letters) that support is going to be terminated on the current general ledger software the county is using, which is called S-Series, and support ends in July and that is regardless of who the county picks. He said the software will still function, but if something goes wrong with that software they won't have support. Mr. Nieto said all the companies said nine months to a year for implementation, migration, and training.
  - ○ Mr. Hipp said that is a reasonable timetable and will happen regardless.
  - ○ Mr. Shacker said the 18 months was related to the statement builder and not the implementation of the software.
- Mr. Hipp said a good comment was made by Mr. Johnson about cost of add-ons. He said Tyler has several modules they may want in the future, the statement builder being one of them. He asked if it would be reasonable before they sign a contract that having modules they may have a need for, but don't have an immediate need to buy, that the county establishes that the company gives Newberry County a price that is good for three years. Mr. Shacker and Mr. Nieto agreed they think that is possible to ask.
- Mr. Hipp referenced the cost comparison and said this is not a fair comparison between the two groups. He said looking at the top chart, that has five years beginning with all the initial costs and year two on the top one is year one on the bottom chart. He said if you add it up otherwise, the initial cost for Tyler was higher each subsequent year and yet overall price was less than what Tyler's revised

implementation costs and revised annuals were, which ended up being $432,000 versus $406,000 and on the bottom the number should be $370,280. He added that an additional year was added on the bottom chart. He said if you did a surface comparison for Tyler, the prices on the bottom went down but the total went up, but that was because an additional year was added at year five.

- o Mr. Nieto added that the problem was on the top chart, the first year did not include the annual expense, so instead of that being $131,800, it should have been in the $190,000 range.
- Ms. Smith said she feels very bad about whoever being able to make a decision on what she does in her office, she is an elected official and serves the people. She doesn't see someone making a decision that she will have to deal with in her office and doesn't think that is right.
- Mr. Scurry asked Ms. Smith for clarification that she agrees after one year. Ms. Smith said yes, after all the training is done, one year from when the county starts live. She just wanted something, since she is willing to give, if she is not satisfied with it, it does not work right after getting with Mr. Nieto, she wants to go with Springbrook. She added that she knows what she needs in her office.
  - o Mr. Scurry asked Ms. Smith if she had spoken to Mr. Shacker about this; Ms. Smith and Mr. Shacker answered in the affirmative.
  - o Mr. Shacker added that if they run into a situation where it is not working at the Treasurer's Office, it is likely not going to work in Administration and they will have a bigger problem and it will be their job to make sure it works.
  - o Mr. Shealy said that is why we have Mr. Nieto, to make it works.
  - o Mr. Sease said if it is not working, they must provide Ms. Smith with the tools to make it work.
  - o Mr. Hipp clarified that Ms. Smith is not asking for this after a year from this meeting, but a year after implementation and training is completed. He further said Mr. Johnson is correct, the council cannot obligate, short of an ordinance, a subsequent council to their decision. However, what they can

do is go on record saying after implantation and training, one year later, if the treasurer is unsatisfied with the product, council will revisit the procurement process for obtaining software the treasurer is satisfied with. He said this puts it into the county's procurement area and they don't make the decision because they cannot. He said he thinks that would meet Ms. Smith's concerns and they go on record as one year after implantation they would revisit it with Ms. Smith.

- ○ Mr. Johnson said he is more than happy to commit to that.
- ○ Ms. Smith said council has not even seen Springbrook's demonstration.
- ○ Mr. Hipp added that hopefully, after Ms. Smith has had this product for a year, they will be happy with it. Ms. Smith agreed. Ms. Smith added that is what Mr. Nieto assured her.
- ○ Ms. Smith asked if that will be in the minutes. Mr. Johnson said it will be in the Work Session minutes and put in the vote during the 6 p.m. meeting, as well as on the YouTube channel.

2. Executive Session:

a. Real Estate Matter(s):

   i.   Discussion of matters related to *MCCP* and *MCCP-II* pursuant to SC Code of Laws Section 30-4-70(a)(2).

- At 5:43 p.m., Mr. Sease made a motion to go into Executive Session; Mr. Shealy provided the second and the motion was approved 7-0.
- At 6:07 p.m., Mr. Shealy made a motion to come out of Executive Session; Mr. Reeder provided the second and the motion was approved 7-0.
- Mr. Johnson said they went into Executive Session for the aforementioned reasons stated before they went into Executive Session and no action was taken.
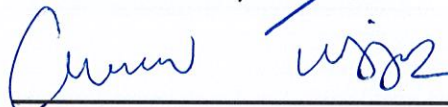
3. Adjournment.

- At 6:08 p.m., Mr. Shealy made a motion to adjourn the meeting; Mr. Scurry provided the second and the motion was approved 7-0.

NEWBERRY COUNTY COUNCIL

Todd Johnson

Todd Johnson, Chairman

Andrew Wigger

Andrew Wigger, Clerk to Council

Minutes Approved: 2-21-2024

Newberry County Council

ERP / General Ledger Software

February 7, 2024

General Ledger

Do any of the General Ledgers have an advantage in functionality related to taxes for the Treasurer's office?

- We did not find any advantages of one product over another in regard to tax collection.

- Tyler's Munis has several modules and features that are more beneficial to County.

General Ledger

- Those modules include:
  - Purchasing
  - Department Budgets
  - Connecting with vendors

General Ledger

- Tyler offers many other products that could benefit the county in the future such as:
  - Payroll
  - Timekeeping
  - Utility Billing
  - Fleet Management
  - Building Maintenance

References

Several more counties were contacted that use the Tyler products and gave the following feedback:

○ Spartanburg and Orangeburg are both counties that went through a similar process.

○ After evaluating all options both counties chose to use the Tyler products.

References

Several more counties were contacted that use the Tyler products and gave the following feedback:

- Orangeburg has implemented several more modules including:
  - Payroll
  - Timekeeping
  - Utility Billing
  - Fleet Management
  - Building Maintenance

References

Several more counties were contacted that use the Tyler products and gave the following feedback:

- Greenwood and Pickens County

- Cities that gave positive feedback:

  - Bluffton
  - Florence
  - Fort Mill
  - Hilton Head

References

Several more counties were contacted that use the Tyler products and gave the following feedback:

○ Orangeburg County's Finance Dept likes the product very much and had a lot of positive comments.

○ They confirmed that creating individual checks and batch checks is quick and easy to do.

○ They also find that the product as being intuitive and easily learned.

References

Several more counties were contacted that use the Tyler products and gave the following feedback:

- Negatives:
  - Initial participation in implementing the new General Ledger.
  - Getting used to the product.
  - Both expected when implementing new software.

Trust

Since the relationship with Tyler is new, trust will have to be earned.

- ○ Employees: 7,200
- ○ Customers: 13,000
- ○ Support Staff: 1,321
- ○ Years in business: 50

- ○ Speaking to several of Tyler's clients, Tyler's reputation is strong and the feedback is positive.

Cost

Tyler's 5-year annual cost came in 2nd place. However, some of the reasons why staff recommends Munis are:

- ○ Functionality
- ○ Ease of use
- ○ Layout and Features
- ○ Project and Grant Accounting
- ○ Vendor Access

Cost

Tyler's 5-year annual cost came in 2nd place. However, some of the reasons why staff recommends Munis are:

- E-Procurement
- Bid Management
- Licensing
- Customized Dashboards
- Access and functionality for Dept Heads and Council