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**Sponsor:** Finance

**Meeting Date:** 4/1/2025

**Title:** Enterprise Resource Planning Funding Plan and Request for Approval

**File Number:** 2025-115

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**Background and Rationale:**

The county is replacing the current Enterprise Resource Planning (ERP) system, PeopleSoft, with a new commercial off the shelf ERP system. The county implemented its current system in 1999, and the system contains significant customizations to support County processes. In 2023 and 2024, the county completed a needs assessment of the current system and processes to identify key opportunities for improvement in the new system. Key objectives of this project include:

- Move to a modern, cloud-based system with improved functionality compared to current systems.
- Leverage standard functionality and align processes with best practices, when possible, to minimize customizations.
- Become more efficient in operations and resident services.
- Develop integrations between the new ERP system and other County systems to facilitate efficient data transfers and processes.

This project will impact all departments across the county and is led by Finance, Human Resources and Information Services.

This Request for Board Action (RBA) is seeking approval by the county board of the funding plan. The investments made in the project include the cost of the software, the cost of the implementation partner and funding for internal resources plus contingency due to the large size and nature of the project. The financing proposal includes technology funds, General Fund fund balance use and bonds. Investing in an ERP system benefits all Ramsey County staff and the public as it makes paying invoices, approving contracts and many other everyday financial and human resources processes easier. The costs for 2025 through implementation in 2027 are as follows:

- \$6.5 million for Implementation Partner agreement
- \$2.5 million for first two years of the WorkDay Software agreement
- \$0.7 million for first two years of the Euna budgeting software & implementation agreement
- \$8.5 million for internal resources
- \$3.8 million in contingency
- **TOTAL: \$22 million**

The approval for all three contractor agreements is laid out in separate RBAs. In addition to the contractual agreements, a successful ERP project requires subject matter experts to help ensure that the needs of Ramsey County are met, and that policies and procedures are updated. An example that is happening currently is revising the county's Chart of Accounts (a list of accounts an organization uses to record and categorize financial transactions in the organization's general ledger). The Finance Department has multiple staff working to revise and streamline the county's Chart of Accounts so that the new system is leveraged to support Finance and Human Resources

work. In 2025 and 2026, many subject matter experts from across the county will be tapped to help with various phases of the ERP project and bring their expertise and some of their existing work will need to be replaced, resulting in the cost included for internal resources. Project leadership plans to invest in experts on change management, WorkDay software and business processes. Finally, every large technology project has unexpected costs and challenges. To plan for that, project leadership are including a contingency that will be returned to the original funding source if it is not used.

Finance, Human Resources and Information Services proposes the following financing:

- \$4 million in IT Project Funding
- \$6 million (up to) in General Fund fund balance.
- \$12 million (up to) in Technology Bonds in the 2026 CIP Budget
- **TOTAL: \$22 million**

The funding proposal includes IT Project funds with the Information Services Department as approved and allocated by the Technology Governance Committee (TGC). In addition, project leadership is requesting approval to use \$6 million in General Fund fund balance for this project. These funds will be placed in an existing project budget within Information Services for the ERP project. Finally, as part of the 2026-2027 Capital Improvement Project proposal, the County Manager will be including up to \$12 million in technology bonds to support the project. Since an ERP can support an entity for well over 10-20 years, bonding for the costs allows the county to pay for it over time as it is used.

**Recommendation:**

The Ramsey County Board of Commissioners resolved to:

1. Approve the Funding Plan for the Enterprise Resource Planning System for 2025 and 2026.
2. Approve use of up to \$6 million of General Fund fund balance for the Enterprise Resource Planning Project.
3. Authorize the County Manager to transfer up to \$6 million from the General Fund fund balance to the Enterprise Resource Planning project budget for project activities.

A motion to approve was made by Commissioner McGuire, seconded by Commissioner Moran. Motion passed.

Aye: - 7: Jebens-Singh, McGuire, McMurtrey, Miller, Moran, Ortega, and Xiong

By:   
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Jason Yang, Interim Chief Clerk - County Board