

17-775



CHRIS ABELE, MILWAUKEE COUNTY EXECUTIVE
JOHN DARGLE, JR., DIRECTOR OF PARKS, RECREATION AND CULTURE

Date: November 13, 2017
To: Theodore Lipscomb, Sr., Chairman, County Board of Supervisors
From: John Dargle, Jr., CPRP, Director, Milwaukee County Parks
Subject: **Authorization for Parks to transfer \$890,000 from the O'Donnell Parking Structure operating revenue fund to the fund for the Vermont System Inc. (VSI) Parks Recreation Management Software and Point of Sale System (ACTION)**

POLICY

Authorization for Milwaukee County Parks (Parks) to transfer \$890,000 from the O'Donnell Parking Structure operating revenue fund to the fund for the Vermont System Inc. (VSI) Parks Recreation Management Software and Point of Sale System.

BACKGROUND

File 17-522 authorizes Parks to execute a Software License, Maintenance, and Support Agreement with Vermont Systems, Inc., for parks recreation management software and a point-of-sale system to do programming work and data entry in anticipation of a new system go-live date of January 2018.

In anticipation of a completed sales transaction of the O'Donnell parking structure, the 2017 Approved Budget Amendment 1A038 stated that net revenue from the O'Donnell parking garage will be directed to the Parks Amenities Matching Fund to be disbursed in accordance with established County Board policy through the completed sale of the facility.

Parks is seeking to redirect revenue allocated in amendment 1A038 from the 2017 Adopted Budget to create a Capital Improvement Project to replace the aging point of sale system and eliminate the current year operating deficit. Funds have been apportioned via amendment 1A038 since the adoption of the 2017 budget and remain unspent. Revenues or expenditures from the O'Donnell Park parking garage were not budgeted beyond the first quarter of 2017. Actual revenues have been accumulating through the second, third and fourth quarters of 2017 and remain segregated within Parks operating budget. The Office of the Comptroller has not included these funds in projections of the countywide financial position for 2017. Applying these revenues toward the operating deficit in the Milwaukee County Parks department will help



alleviate countywide budgetary concerns and allow for the continued implementation of the already begun Parks Point of Sale replacement project authorized in File 17-522 and eliminated via amendment 1A001 in the 2018 Adopted Budget. Any parking revenues not required to fund the point of sale replacement and satisfy the departmental operating deficit are requested to be allocated toward the Parks Amenities Matching Fund as originally outlined in 2017 amendment 1A038.

After passage of File 17-522, significant staff time and resources in the amount of \$240,000 has been invested in 2017 preparing for the 2018 implementation and conversion to Vermont Systems Parks Recreation Management Software and Point of Sale System (Vermont - POS System). This is a critical operating system that if not funded in the amount of \$890,000 will stall the department to effectively and more efficiently manage reservations, bookings, passes, memberships, permits, customer database, etc. This conversion is imperative as it allows Parks to replace an archaic, outdated system to a modernized, customer friendly effective management tool which will allow Parks to increase and track revenue production.

Should Parks not be authorized to utilize O'Donnell Parking Revenues to fund the new Vermont - POS System, Parks would be forced to use the antiquated POS Systems (Fairway, Samsung, Class) for an additional year. Use of this antiquated system would require an additional investment of approximately \$200,000 in costs to continue an old system.

If forced to depend on Fairway and Samsung as Parks 2018 POS System, additional equipment and labor would be necessary for implementation. These additional costs would require Parks to forgo implementation of the new Vermont - POS System until January 2019. Postponing Parks ability to move forward with this new system, impairs Parks ability to improve customer service, gather customer data and metrics, improve efficiencies, increase technological capabilities and improve facility connectivity.

Postponing this software conversion is not a panacea to the funding problem and that this conversion is a necessary element for Parks to continue its business operations and account for generated revenue. Postponing go-live date of January 2018 would only mean that in October 2019 we would be faced again with the issue of finding dedicated funding. Additionally, reliance on the antiquated POS systems would mean that Parks would spend approximately \$200,000 for 2018. These costs would not carryover to the \$890,000 cost of implementation of the new Vermont - POS System and would only mean that Parks would end up spending a total of \$1,090,000 for POS System Implementation.

Cost Implications

If funding is not available to replace Parks POS-System there will be several investment costs that were made in accordance with File 17-522 that will become sunk costs as part of the preparation for the conversion to the Vermont POS-System. These include:

Sunk costs (assumes that we continue with Vermont Systems in 2019): Approximately \$96,000

- Existing staff time for Parks and IMSD employees attributed to training, business requirements gathering and system configuration.
- Vendor training, travel expense and system configuration.
- 2017 hosted server.
- Project Management contractor hours.

There will also be several new expenses that must become part of the 2018 budget if Parks is forced to rely on the antiquated Fairway system. These include:

Additional Expenses: Approximately \$178,000.

- An increase in staff time for seasonal Parks employees to manually enter daily cash reports from manual cash registers.
- Licensing fees for the current Fairway system for an additional year of operation.
- Class Recreation software for an additional year of operation.
- A new server required for the Fairway system.
- Contractor expense to set up and program central server for Fairway use.
- Additional local servers (up to 13) to run existing local software.
- For 2018 to host County data already inputted in Vermont POS-System.
- The replacement of six aging (20 year old) Samsung cash registers as they continue to fail.
- The extension of CourseTrends on-line credit card services through 2018.
- For Vendor software annual price increase.

Service implications

If the Vermont POS-System does not move forward it would have the following service implications:

- Fairway & Class reservation systems are being sunset by manufacturer. Short term fixes may be unavailable.
- Online reservations planned for 2018 organized sports leagues will not occur until 2019.
- VSI reservations for picnic sites and pavilions planned for 2019 will be pushed to 2020.
- Online reservations & activity registration for nature center and horticulture facilities will be pushed to 2021.
- Marketing data will not be captured from 50+ locations. This marketing data would be used to increase reach and optimize revenue opportunities.
- Parks anticipates and budgeted additional revenue in the concession department as a result of additional sites accepting credit cards (Beer Garden and Beverage Carts).

Efficiencies Implications:

If the Vermont POS-System does not move forward it will have the following efficiencies implications:

- Parks will continue running three separate systems which do not communicate with the current Advantage system nor will likely communicate with new countywide ERP. This will result in delay in revenue realization and greater likelihood of errors.
- Correlation of data from all three disparate systems will need to be done manually. This is an inefficient use of staff resources and greater likelihood of errors.
- Reservations which could be handled through online transactions are currently handled by staff answering phone calls. These tasks would be eliminated or greatly reduced with the new Vermont POS-System and result in reduced or reallocated staff, better customer service and more sales.
- POS project would enhance network connectivity to most major park locations allowing for web based timeclocks, email enabling increased employee productivity. Many park units do not have access to email, the County LMS, and other internet based services. Outlying park locations use paper time sheets which must be entered into Dayforce manually by central administrative staff.
- Continuing to operate the Fairway server running on Microsoft 2003 is a risk to the county network and reduces the effectiveness of Capital Project WO18001 Information Technology Security.

RECOMMENDATION

Authorize net revenues from the O'Donnell parking structure in 2017 be redirected to reestablish the Parks Point of Sale system Capital Improvement Project; and, Authorize the Office of the Comptroller and the Department of Administrative Services to execute an administrative fund transfer to recognize revenues in the Milwaukee County Parks Department from O'Donnell Park parking revenue to cover the 2017 operating deficit in the Milwaukee County Parks Department. After creation of the Point of Sale system Capital Improvement Project and eliminating any 2017 Parks Department operating deficit, deposit any remaining funds into the Parks Amenities Matching Fund for use in 2018.

Approved by:
John Dargle, Jr., CPRP, Director**Attachments:**

- Attachment 1 – Fiscal Note
- Attachment 2 – Resolution

Copy:

Chris Abele, County Executive

Raisa Koltun, Chief of Staff, County Executive's Office

Jason Haas, Chairman, Parks, Energy & Environment Committee

Marcelia Nicholson, Vice-Chair, Parks, Energy & Environment Committee

Kelly Bablitch, Chief of Staff, County Board of Supervisors

Allyson Smith, Committee Coordinator, Office of the County Clerk

Jessica Janz-McKnight, Research & Policy Analyst, Office of the Comptroller

Jeremy Lucas, Fiscal Mgt. Analyst, Admin & Fiscal Affairs/DAS

1. The first part of the paper is devoted to the study of the properties of the function $f(x)$ defined by the equation $f(x) = \int_0^x f(t) dt$. It is shown that $f(x)$ is a constant function, and its value is determined by the initial condition $f(0) = 1$.

2. In the second part, we consider the function $g(x)$ defined by the equation $g(x) = \int_0^x g(t) dt$. It is shown that $g(x)$ is a constant function, and its value is determined by the initial condition $g(0) = 1$.

3. The third part of the paper is devoted to the study of the properties of the function $h(x)$ defined by the equation $h(x) = \int_0^x h(t) dt$. It is shown that $h(x)$ is a constant function, and its value is determined by the initial condition $h(0) = 1$.