



C I T Y O F
RENO
Memorandum

DATE: March 11, 2026

TO: Mayor and City Council

THROUGH: Jackie Bryant, City Manager

FROM: Monica Kirch, Interim Human Resources Director
Mark Stone, Payroll Manager

DEPT: City Manager's Office

SUBJECT: Enterprise Resource Planning Software (ERP) Current State

The City currently relies on Tyler Technologies' New World Enterprise Resource Planning (ERP) system to manage critical administrative functions, including accounting, financial reporting, payroll, budgeting, and human resource management. This integrated system ensures continuity of data, regulatory compliance, and operational efficiency across departments.

However, the vendor has announced that this ERP system will soon reach end-of-life, after which it will no longer be supported. While an exact date has not been provided, the discontinuation of support poses a significant risk to the City's ability to maintain compliance, process payroll accurately, and manage financial operations effectively. If we wait until the sunset date is confirmed, there will be insufficient time to evaluate, select, and implement a replacement system without disrupting essential services.

Current Pain Points and Operational Risk:

The system presents material challenges which require manual workarounds and increase the likelihood of errors:

- **FLSA Overtime Premium Adjustments:** The system's overtime premium calculation is incorrect and convoluted, forcing the payroll team to manually recalculate to ensure compliance when bonuses, commissions, or incentives coincide with overtime. These manual recalculations increase the risk of under/overpayments and legal exposure.
- **Contractual Pay Changes:** Percentage based payments (e.g., Reno Police Supervisory/Administrative Employees (RPSAE) additional insurance and Reno Police Protective Association (RPPA) Other Post Employment Benefits (OPEB)

contributions) require manual adjustment; there is no configurable logic for semiannual, date-based payments (e.g., uniform allowances).

- **Fire Shift Trades:** The system lacks a clean method to record shift trades. Current processes rely on bank hour deductions without pay, but confusion over codes has led to inaccurate payments, impacting payroll accuracy and employee trust.
- **Compliance and Continuity:** At end-of-life, the absence of vendor support heightens the risk of catastrophic outage, audit findings, and emergency procurement at premium cost.
- **Budgeting and costing:** Although the system contains a budget module, it is not robust enough for the complexity of the City's budget, especially in having the ability to assist with costing for labor negotiations or provide a public facing digital budget book. This requires the City to purchase additional software in order to support our budget.
- **Financial Reporting:** Similar to the budget module, the main financial platform of the system does not provide the city with the ability to effectively report the Annual Comprehensive Financial Report, thus requiring the City to acquire additional software to complete the required annual financial reporting.
- **Human resources and personnel management:** The system module for managing the city's workforce is severely lacking compared to modern ERP systems, this causes a great deal of duplicative work, especially for onboarding of new employees and maintaining employee information post termination/retirement, and requires the usage of additional software to complete essential functions related to recruitment and employee performance reviews.

Risks of Inaction

Failure to act promptly will expose the City to:

- **Regulatory Compliance Risks:** Inability to produce accurate financial and payroll reports required by law.
- **Operational Disruptions:** Increase reliance on manual processes, creating inefficiencies and potential for catastrophic system outages.
- **Payroll Errors:** Current system limitations already require manual recalculations for Fair Labor Standards Act (FLSA) overtime adjustments and other complex pay scenarios. These errors could result in employee dissatisfaction and legal exposure.
- **Financial Impact:** Manual workarounds increase labor costs and reduce productivity, while system failure could lead to emergency procurement.

Core Components of an ERP System

A modern ERP solution is not just a payroll system. It is a comprehensive platform that unifies multiple critical functions:

1. Accounting & Budget Management
 - a. Accounts payable/receivable

- b. Bank reconciliation
 - c. Budget tracking and financial forecasting
 - d. Contracts and purchase order management
2. Financial Reporting
 - a. Financial statements
 - b. Performance reports
 - c. Expense-to-budget actuals and projections
3. Human Resources & Payroll Management
 - a. Employee compensation, deductions, and benefits administration
 - b. Performance management
 - c. Talent management and recruitment
4. Data Warehouse
 - a. Record maintenance of employees, transactions and other pertinent data
 - b. Enables strategic decision making from reporting
 - c. Real-time operational data
5. Asset Inventory & Management
 - a. Integrated management of City-owned assets and intangible property
 - b. Tracking of current inventory for accountability and planning
6. Business Intelligence
 - a. Actionable insights from operational data
 - b. Improved organizational efficiency
 - c. Enhanced forecasting and planning capabilities

Benefits of a Modern ERP Solution

A next-generation ERP system will:

- Integrate Core Functions: Accounting, budgeting payroll, HR, and asset management in one platform.
- Enhance Financial Oversight: Real-time operational data, automated bank reconciliation, and accurate forecasting.
- Improve Workforce Management: Streamlined payroll, benefits administration, performance tracking, and talent management.
- Enable Strategic Decision-Making: Business intelligence tools for actionable insights and improved forecasting.
- Ensure Asset Accountability: Centralized tracking of City-owned assets and inventory.

Payroll Software & ERP Systems – Key Differences

Payroll software is designed to calculate pay, taxes, and direct deposits, and it is best for organizations that simply need to run payroll reliably. It is typically lower cost and straightforward for core payroll tasks, but it has limitations because it does not integrate budgeting, HR, finance, asset management, or broader reporting. As a result, data often has to be manually moved into other systems, and more complex pay rules can be difficult to configure.

An ERP system, by contrast, unifies payroll, HR, finance, budgeting, asset management, and reporting in a single platform, making it a better fit for cities and larger organizations that need accurate, shared data and automation across departments. While ERPs require higher upfront cost and more implementation effort, they provide centralized data, real-time reporting, configurable pay rules, stronger compliance controls, and workflow automation that reduce manual work and errors, ultimately supporting long-term efficiency, risk reduction, and better decision-making.

Next Steps

Next steps are to authorize budget allocation to support procurement, implementation, and training so the City can execute a planned, seamless transition. Delaying action will materially increase both risk and cost, so moving forward now will protect compliance, maintain operational continuity, and position the City for long-term efficiency and fiscal sustainability.

ERP

ENTERPRISE RESOURCE PLANNING SOFTWARE

01

Accounting/Budget Management

- Accounts Payable/Receivable
- Bank Reconciliation
- Contracts/Purchase Orders
- Budget tracking and financial forecasting

02

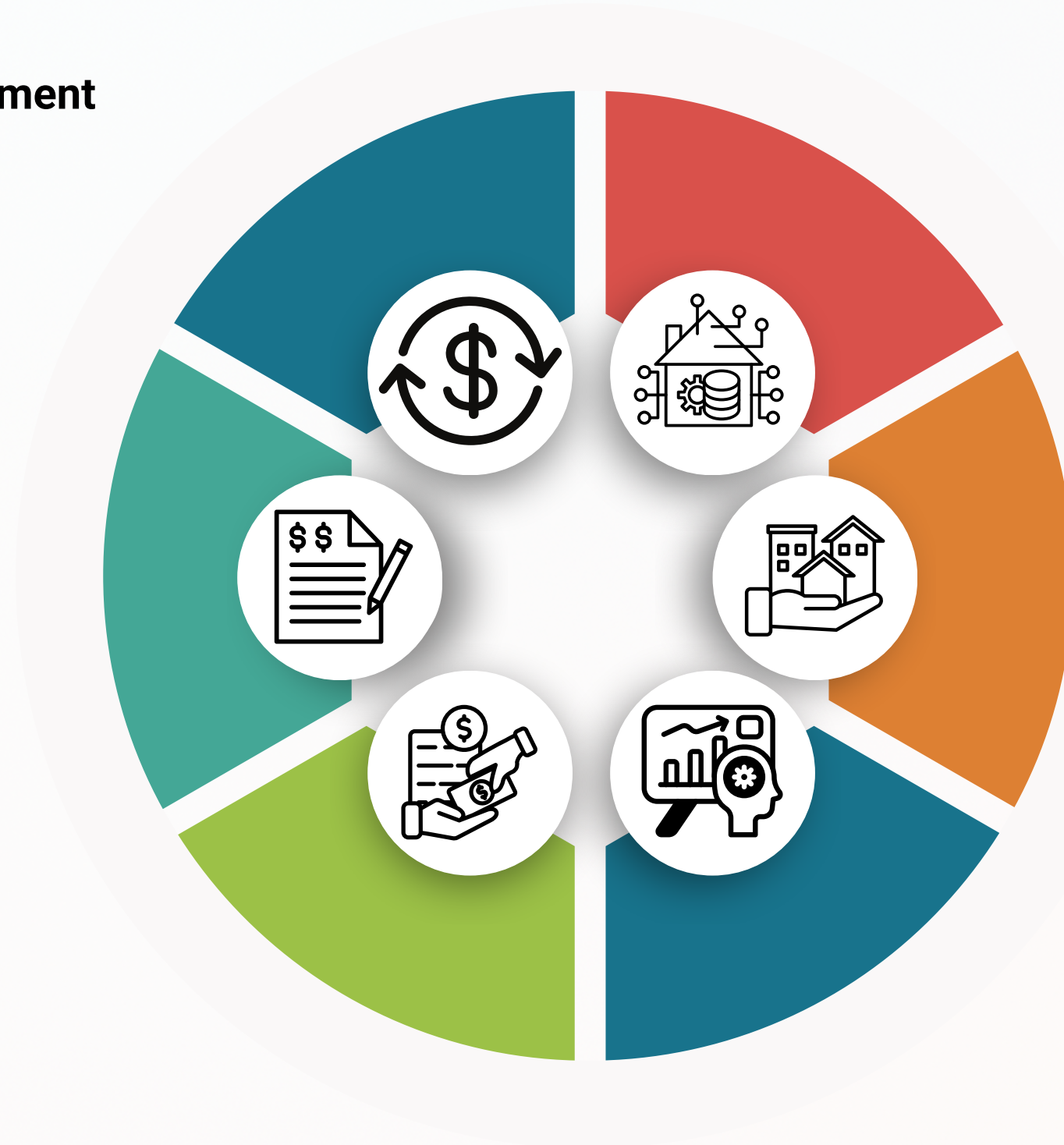
Financial Reporting

- Financial Statements
- Performance Reports
- Expense to budget actuals and projections.

03

Human Resources/Payroll Management

- Manages employee compensation, deductions and benefits administration
- Performance management
- Talent management and recruitment.



04

Data Warehouse

- Record maintenance of employees, transactions and other pertinent data
- Enables strategic decision making from reporting
- Real-time operational data

05

Asset Inventory/Management

- Integrated management of City owned assets and intangible property
- Tracking of current city inventory

06

Business Intelligence

- Utilizes operational data to inform actionable insight
- Improves organization efficiency
- Improves forecasting