



Enterprise Resource Planning (ERP) Project Update

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ERP Project Overview

The City has embarked on a multi-year project to modernize our fiscal and human resources systems, replacing systems that have been in service over twenty years.

▶ Project Guidelines:

- ▶ Adopt standard business processes and best practices supported by the new system while simultaneously automating processes to the greatest extent possible to eliminate redundant data entry, paper processes and as many steps as possible.
- ▶ Migrate to a modern software-as-a-service platform that is constantly updated and enhanced for the city, allowing the city to take advantage of emerging capabilities.
- ▶ Retire stand-alone department administrative systems and Interface systems that share data to minimize manual processes and maintain data integrity.

▶ Key Success Factors:

- ▶ Implement a timekeeping system that allows for mobile entry and approval.
- ▶ Implement an integrated budgeting system to replace distributed spreadsheets.
- ▶ Make administration more efficient and give all city employees a better user experience by adding fiscal and HR related functionality.
- ▶ Enhance fiscal and HR reporting and analytical capabilities.
- ▶ Remedy pain points voiced by city staff.

ERP Project Timeline

- ▶ **Previously estimated Go-Live of June 2026 – Extended to September 2026**
 - ▶ WHY IS ADDITIONAL TIME NEEDED?
 - ▶ HOW DOES A THREE-MONTH EXTENSION HELP ENSURE PROJECT SUCCESS?
 - ▶ WHAT IS COST OF EXTENDING PROJECT AND THE RISKS OF NOT EXTENDING?
 - ▶ WHAT ARE THE NEXT STEPS?

WHY IS ADDITIONAL TIME NEEDED?

- ▶ **Previously estimated Go-Live of June 2026 – Extended to September 2026**
 - ▶ Several integrations and aligning Workday to some city business processes were more complex and took longer than anticipated.
 - ▶ A combination of time-sensitive priorities including recent changes in federal regulations for payroll and tax reporting, creation of multiple new departments, implementation of wage and salary changes, and implantation of a recently completed MPSO bargaining agreements have had a cumulative impact to the progress on the Workday implementation.
 - ▶ Additionally, there have been greater than anticipated turnover of critical staff and unexpected extended absences of staff, both from Accenture and the City of Milwaukee.
 - ▶ Key project team members are fully and over-committed with Workday and operational responsibilities. Responsibilities have been realigned and low-priority tasks have been deferred to the greatest extent possible.
 - ▶ While progress is made every day, several milestones and deadlines were missed and schedules were adjusted to reduce timelines for future milestones until any further reductions were not practical.

THREE-MONTH EXTENSION HELPS ENSURE PROJECT SUCCESS

Component	Current (weeks)	Extended (weeks)	How Time Will Be Used
Data Conversion	2	6	Convert legacy data from HRMS, FMIS and numerous satellite systems. While there have been several conversions to date, this will be the data for the “golden” tenant used for production at go-live.
Payroll Testing	14	18	Pay Admin staff work closely with Accenture payroll consultants to validate multiple payrolls processed by PeopleSoft to match the same payroll period processed by Workday. This will provide the level of confidence required that the payroll process will be accurate for go-live.
Salary and Department Changes	6	10	The changes implemented at the beginning of the year in PeopleSoft will also need to be implemented in Workday. These have turned out to be more time-consuming than is typical in most years.
End User Training	12	16	Approximately 30 (unique) training courses are being developed and will be delivered in Q2 and Q3 of 2026. This additional time will provide time to offer more courses to better fit employees’ work schedules and job responsibilities and to practice what they have learned before go-live.
Additional Items			Some items that would have been implemented after go-live, like a new Health Retirement Account and enhancements to the new Total Rewards can potentially be implemented before go-live.
Security Roles			Additional time will be used to fine-tune security roles and other activities requiring cross-functional collaboration.

WHAT ARE THE CRITICAL FACTORS?

- ▶ The areas of concern required to meet a September go-live date include:
 - Payroll testing – The first payroll testing cycle will likely complete three weeks late. The second payroll testing cycle cannot absorb any additional delays. The payroll team's #1 responsibility is payroll which inevitably slows testing during payroll weeks.
 - FIN data conversion – A tenant for final data conversions for FMIS encumbrance documents will not be ready until late-May for E2E testing. This affords only 1-2 months for testing scenarios that require encumbrances. While this should be sufficient testing time, it is a constraint, and testing would need to be well-planned and well-coordinated.
 - HCM and FIN workstream punchlists – Most workstreams have a list of remaining activities that need to be completed over the next 10 weeks. For most workstreams this is manageable but will require close self-monitoring of timing constraints by workstream leads. Activities should be scheduled based on constraints. Activities should be owned or delegated to colleagues. Activities should be identified as needed for go-live or not.

WHAT ARE THE RISKS OF NOT EXTENDING?

- ▶ The risks of not extending the timeline for at least three months include:
 - Inaccurate wages/deductions for City employees would cause major operational challenges to rectify via adjustments
 - Frustration from all classes of employees, potential hardship if City is unable to process timely and accurately generate and deliver employees' paychecks
 - Inability to accurately process, account for, and make payments to vendors
 - Challenges properly receipting review and supporting requirements for federal reimbursement requests
 - Costs associated with consultants, software patches, reversion to the current systems in event of deployment failure
 - Reputational concerns in event of deployment failure

WHAT ARE THE COSTS AND NEXT STEPS?

- ▶ Initial planning estimates of \$25M-\$30M at the beginning on the project.
- ▶ The City has allocated \$23.85M to the Workday project since 2024.
- ▶ Estimated to spend \$22.6M through a June 2026 go-live.
- ▶ Estimated to spend \$25.0M through a September 2026 go-live.
- ▶ September 2026 go-live would require additional \$1.15M above what has been allocated
- ▶ Department of Administration 2025 regular operating (R999) and Enterprise Resource Management (R158) special fund accounts have over \$1.4 million will be available for carryover.
- ▶ Anticipating requesting carryover funding at next Finance and Personnel Committee hearing to fully fund project through September 2026 go-live.

ERP Project Systems Optimization

BUSINESS PROCESS	CURRENT SYSTEMS								FUTURE SYSTEMS		
	City Time	HRMS	FMIS	Paper/e-form/ Excel/email	INOVAH	DPW Apps	Job Apps	Bonfire	MPD City Time	Workday	EUNA – Budget Dev & Grant Admin
Login	X	X	X		X	X				✓	
Record Time (except MPD)	X			X						✓	
MPD Record Time				X					✓	✓	
Check Payslip		X								✓	
Request Leave			X							✓	
Change Personal Info		X		X						✓	
Performance Mgmt/ Discipline/Training				X			✓			✓	
Create Requisition			X							✓	
Request Travel Reimbursement			X	X						✓	
Create Voucher to Pay Vendor			X	X		✓				✓	
Receive/Receipt Cash			X		✓					✓	
Employee Hiring		X		X			✓			✓	
Open Enrollment		X								✓	
Safety Incident Management & Workman's Comp		X	X	X		X				✓	
Project & Grant Cost Accounting		X	X	X		✓				✓	✓
Competitive Procurements								✓		✓	
Budget Development		X	X	X						✓	✓

X = Business processes that will change: 1) processes executed in systems to be de-commissioned, 2) paper-based processes, and 3) changes to business processes executed in systems that will be retained

✓ = Business processes to-be executed: 1) in Workday, 2) in Workday and in system that will be retained, or 3) in Workday and EUNA

ERP Project Opportunities

Alignment opportunities

AREA	ALIGNMENT OPPORTUNITIES
BUDGET	19
FINANCE	79
HR	135
PAYROLL	55
OTHER	39
	327

Five examples for areas of improvement of the 327 total:

1. IRIs (Interdepartmental Requisitions): electronic routing vs. paper and Excel spreadsheet tracking
2. Time reporting using mobile devices vs. paper time sheets, then manually entering into City Time
3. Procards: electronic routing with attachments vs. paper receipts and envelopes
4. Travel / Training: reimbursements with electronic receipts using mobile app
5. Invoices: electronic routing for approval vs. paper invoices to stamp, mail or hand deliver



Thank you!

Any questions or feedback?