



Special - Regular Meeting Agenda
City Council

Rich Constantine - Mayor
John McKay - Mayor Pro Tem
Gino Borgioli - Council Member
Yvonne Martinez Beltran - Council Member
Rene Spring - Council Member

Wednesday, November 3, 2021 6:00 p.m.

Virtual Meeting

CLOSED SESSIONS ARE NOT OPEN TO THE PUBLIC. YOU MAY JOIN THE MEETING AT 6:00 P.M. TO SUBMIT PUBLIC COMMENT FOR CLOSED SESSION ITEMS THEN EXIT AND REJOIN THE REGULAR MEETING AT 7:00 P.M.

VIRTUAL MEETING GUIDELINES AND PUBLIC COMMENT

In accordance with Executive Order N-25-20 and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. Physical meetings will not be in the City Council Chamber until further notice.

City Council meetings will be live streamed on Channel 17, on the City's website and on the City's Facebook page. Those members of the community that would like to participate in the meetings remotely may do so by joining the virtual meeting at: <https://bit.ly/MHCityCouncilMeeting> or by calling in to: (669) 900-9128, then enter the webinar id: 873 3200 8380#.

Public comment may be provided in the following ways:

- Join the virtual City Council meeting via the link above, when public comment is opened, raise your virtual hand and be called upon to speak for up to 3 minutes
 - In order to speak, please be sure that your version of Zoom is up to date.
- Join the virtual meeting by calling in to the number above, dial *9 to raise your hand and be called upon to speak for up to 3 minutes
- Send public comments in writing to the City Clerk at ccpubliccomment@morganhill.ca.gov [<mailto:ccpubliccomment@morganhill.ca.gov>](mailto:ccpubliccomment@morganhill.ca.gov)

* Please note that comments made on Facebook are not considered public comment.

SPECIAL/REGULAR MEETING

A special meeting of the City Council is called at 6:00 p.m. for the purpose of conducting a closed session.

6:00 p.m. Closed Session

7:00 p.m. Regular Meeting

SPECIAL MEETING

6:00 p.m. Closed Session

CALL TO ORDER

Mayor Constantine

ROLL CALL ATTENDANCE

City Clerk Michelle Bigelow

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2

City Clerk Michelle Bigelow

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Authority: Government Code 54957(b)(1)

Title: City Manager

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Authority: Government Code 54957(b)(1)

Title: City Attorney

CONFERENCE WITH LABOR NEGOTIATOR

Authority: Pursuant to Government Code Section 54957.6

City Negotiators: Christina Turner, City Manager; Donald Larkin, City Attorney;
Michael Horta, Human Resources Director;
Dat Nguyen, Finance Director

Employee Organization: Morgan Hill Police Officers Association
Employees Covered under Management Resolution #21-025
AFSCME Local 101 Morgan Hill

November 3, 2021

REGULAR MEETING

7:00 p.m.

The City Council has adopted a policy that regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority of the City Council.

PRESENTATIONS

End of Session Legislative Update- Senator John Laird

PROCLAMATIONS

Proclaiming the Month of November as Philanthropy Month

CITY COUNCIL REPORTS

Mayor Constantine

CITY MANAGER'S REPORT

City Manager Christina Turner

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin

OTHER REPORTS

PUBLIC COMMENT

Members of the public are entitled to address the City Council concerning any item within the Morgan Hill City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda. (See additional noticing at the end of this agenda)

ADOPTION OF AGENDA

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Pursuant to City Council Policies and Procedures (CP 97-01), any member of the Council or public may request to have an item removed from the Consent Calendar for comment and action.

Time Estimate for Consent Calendar: 1 - 10 Minutes

1. ADOPT RESOLUTION DETERMINING THAT CONDUCTION OF IN-PERSON MEETINGS WOULD PRESENT A PUBLIC HEALTH RISK AND CONTINUING TELECONFERENCE MEETINGS

Recommendation:

Adopt resolution to continue holding City Council and commission meetings by teleconference.

2. APPROVE AGREEMENT WITH TYLER TECHNOLOGIES FOR A NEW ENTERPRISE RESOURCE PLANNING SYSTEM

Recommendation:

Approve and authorize the City Manager to execute an agreement with Tyler Technologies for a New Enterprise Resource Planning System for a total of \$796,864, including a \$140,690 contingency.

3. APPROVE AGREEMENT WITH TESCO CONTROLS, INC. FOR SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEMS INTEGRATION CONSULTING SERVICES

Recommendation:

Approve and authorize the City Manager to execute a consulting agreement with Tesco Controls, Inc. in the not to exceed amount of \$87,090 for SCADA systems integration services.

4. APPROVE THE OCTOBER 6, 2021 MEETING MINUTES

Recommendation:

Approve Minutes.

5. APPROVE THE OCTOBER 20, 2021 MEETING MINUTES

Recommendation:

Approve Minutes.

6. AWARD COMMUNITY AND CULTURAL CENTER AND CENTENNIAL RECREATION CENTER SENIOR CENTER FLOORING PROJECT TO BT MANCINI COMPANY, INC.

Recommendation:

1. Award contract to BT Mancini Company, Inc. in the amount of \$63,497 for the Community and Cultural Center and Centennial Recreation Center Senior Center Flooring Replacement Project;
2. Authorize the expenditure of 10% contingency funds not to exceed \$6,349; and
3. Authorize the City Manager to execute and administer that certain contract with BT Mancini Company, Inc.

OTHER BUSINESS

7. RECEIVE MONTHLY BUDGET UPDATE; SEPTEMBER 2021 FINANCIAL AND INVESTMENT REPORTS; AND CITY MANAGER AUTHORITY REPORT

Recommendation:

Accept and file report.

Estimated Time: 15 Minutes

8. REFINANCE AND RE-SUBORDINATION OF MURPHY RANCH I & II APARTMENTS, FIRST COMMUNITY HOUSING

Recommendation:

1. Authorize City Manager to negotiate and approve re-subordination of the \$3,453,426 former City of Morgan Hill Redevelopment Agency (RDA) note on Murphy Ranch I and the \$3,406,574 note on Murphy Ranch II with First Community Housing (FCH) to a new first mortgage to support re-capitalization and rehabilitation of these properties. The agreement will be negotiated and subject to the review and approval by the City Attorney; and
2. Approve FCH's proposal to refinance two existing first mortgages from senior lender totaling \$5,605,813 on Murphy Ranch I and II with two new mortgage loans.

Estimated Time: 20 Minutes

9. APPROVE COMMUNITY FUNDING REQUEST POLICY

Recommendation:

Approve recommended Community Funding Request Policy.

Estimated Time: 30 Minutes

FUTURE COUNCIL INITIATED AGENDA ITEMS

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT

NOTICE

Any documents produced by the City and distributed to the majority of the City Council less than 72 hours prior to an open meeting, will be made available for public inspection at the City Clerk's Counter at City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 and at the Morgan Hill Public Library located at 660 West Main Avenue, Morgan Hill, California, 95037 during normal business hours. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the City Council concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address the Council on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Council Chambers and deliver it to the Minutes Clerk prior to discussion of the item. You are not required to give your name on the speaker card in order to speak to the Council, but it is very helpful. When you are called, proceed to the podium and the Mayor will recognize you. If you wish to address the City Council on any other item of interest to the public, you may do so during the public comment portion of the meeting following the same procedure described above. Please limit your comments to three (3) minutes or less.

Please submit written correspondence to the Minutes Clerk, who will distribute correspondence to the City Council.

Persons interested in proposing an item for the City Council agenda should contact a member of the City Council who may plan an item on the agenda for a future City Council meeting. Should your comments require Council action, your request may be placed on the next appropriate agenda. Council discussion or action may not be taken until your item appears on an agenda. This procedure is in compliance with the California Public Meeting Law (Brown Act) Government Code §54950.

City Council Policies and Procedures (CP 03-01) outlines the procedure for the conduct of public hearings. Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the City Council, which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.

For a copy of City Council Policies and Procedures CP 97-01, please contact the City Clerk's office (408) 779-7259, (408) 779-3117 (fax) or by email cityclerk@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (408)779-7259, (408)779-3117 (fax) or by email cityclerk@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting.

SUSTAINABLE MORGAN HILL



VISION

To sustain a safe, equitable, inclusive, socially responsible, environmentally conscious, and economically sound community

Choose Morgan Hill

The City of Morgan Hill is the best community for people to live, work, visit, and operate their businesses.

City Council Ongoing Priorities

- Enhancing Public Safety
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining Infrastructure
- Supporting our Youth, Seniors, and Entire Community
- Fostering a Positive Organizational Culture
- Preserving and Cultivating Public Trust
- Preserving our Community History
- Enhancing Equity, Diversity, and Inclusiveness
- Advancing Regional Initiatives
- Advocating for Local Control

2020-2021 Strategic Priorities

- **Fiscal Sustainability**
- Affordable Housing and Homelessness
- Community Outreach, Engagement, and Messaging
- Economic Development
- Transportation



These strategic priorities were established prior to the COVID-19 pandemic. In light of recent events, we recognize that all of these goals and priorities will be viewed through the lens of the global pandemic, and we will continue to have equity, public health, and financial responsibility in mind.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 3, 2021

PREPARED BY: Donald Larkin, City Attorney
APPROVED BY: City Manager

ADOPT RESOLUTION DETERMINING THAT CONDUCTION OF IN-PERSON MEETINGS WOULD PRESENT A PUBLIC HEALTH RISK AND CONTINUING TELECONFERENCE MEETINGS

RECOMMENDATION(S)

Adopt resolution to continue holding City Council and commission meetings by teleconference.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

Preserving and Cultivating Public Trust

POLICY CONSIDERATION:

Should the City Council and City commissions continue to meet by teleconference while the spread of COVID-19 in Santa Clara County remains substantial or high?

REPORT NARRATIVE:

COVID-19 transmission remains widespread throughout California and locally. We remain under both a state and local emergency. Assembly Bill (AB) 361, which became operative on October 1, 2021, allows local agencies to continue meeting by teleconference during a statewide emergency, provided the local agency makes findings that continued teleconferencing is important to protect public health and safety.

Staff recommends adopting the proposed resolution declaring the need to continue teleconferenced meetings to protect public health and safety.

COMMUNITY ENGAGEMENT: Not Applicable

ALTERNATIVE ACTIONS:

The Council could choose not to adopt the proposed resolution and continue its November 3, 2021 meeting to a date certain for an in-person meeting. All meetings going forward would also be in-person.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On October 6, 2021 the City Council adopted resolution 21-044 (attachment 2) determining that conducting in-person meetings would present imminent risk to attendees' health, and electing to continue conducting meetings using teleconferencing.

FISCAL AND RESOURCE IMPACT:

Continued use of teleconferencing software may have a minimal fiscal impact.

CEQA (California Environmental Quality Act):

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment are not projects that require environmental review.

LINKS/ATTACHMENTS:

1. Resolution Allowing Teleconferencing
2. Resolution 21-044 (weblink)

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DETERMINING THAT CONDUCTING IN-PERSON MEETINGS OF THE CITY COUNCIL AND ITS BOARDS AND COMMISSIONS WOULD PRESENT IMMINENT RISKS TO ATTENDEES' HEALTH, AND ELECTING TO CONTINUE CONDUCTING MEETINGS USING TELECONFERENCING IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54953(e) (AB 361)

WHEREAS, on March 4, 2020, Governor Newsom declared a state of emergency related to the COVID-19 global pandemic, a state of emergency that is ongoing; and

WHEREAS, on March 13, 2020, the City Manager in her capacity as Emergency Services Director declared a local emergency due to the spread of COVID-19, and that emergency declaration was ratified on March 18, 2020; and

WHEREAS, the City of Morgan Hill remains in a state of emergency due to the continuing spread of COVID-19; and

WHEREAS, the Centers for Disease Control and Prevention recommends physical distancing of at least six (6) feet whenever possible, avoiding crowds, and avoiding spaces that do not offer fresh air from the outdoors, particularly for people who are not fully vaccinated, or are at a higher risk of severe illness due to COVID-19; and

WHEREAS, the City's public meeting facility is indoor and not designed to ensure circulation of fresh/outdoor air, and not designed to ensure that attendees can remain six (6) feet apart; and

WHEREAS, holding in-person meetings would encourage community members to come to City facilities to participate in local government, and some of them would be at high risk of severe illness due to COVID-19; and

WHEREAS, technology exists that allows full participation from members of the public without requiring in-person attendance at a City Council meeting.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

1. The conduct of in-person public meetings would pose imminent risks to the health of attendees.
2. Public health and safety and the public right to participate in local government are both critically important. The City of Morgan Hill is committed to balancing both by making City Council and commission meetings accessible through multiple formats and by allowing real-time public comment through teleconferencing solutions.
3. The City Council will renew these findings at least every thirty (30) days in accordance with Government Code section 54953(e) until the state of emergency related to COVID-19 has been lifted or until the City Council determines that in-person meetings no longer pose imminent risks to the health of attendees, whichever comes first.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this ____ day of _____, 2021 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:

DATE: _____

Rich Constantine, MAYOR

⌘ **CERTIFICATION** ⌘

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. XXXX, adopted by the City Council at the meeting held on _____, 2021.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

Michelle Bigelow, CITY CLERK



CITY COUNCIL STAFF REPORT

MEETING DATE: November 3, 2021

PREPARED BY: Dat Nguyen, Finance Director
APPROVED BY: City Manager

APPROVE AGREEMENT WITH TYLER TECHNOLOGIES FOR A NEW ENTERPRISE RESOURCE PLANNING SYSTEM

RECOMMENDATION(S)

Approve and authorize the City Manager to execute an agreement with Tyler Technologies for a New Enterprise Resource Planning System for a total of \$796,864, including a \$140,690 contingency.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure

2020-2021 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

The City's Enterprise Resource Planning (ERP) system serves as the primary software platform for Finance, Human Resources, Utilities Billing, and all other core transactions. The current system, Tyler Eden, was implemented in the fiscal year 2009/10; an ERP system typically has a useful life of 10-15 years, depending upon how updated the vendor keeps the software. Although Eden is still being supported, the parent company (Tyler Technologies) notified all Eden clients a few years ago that they are phasing out the product, it is no longer being developed, and movement to a new system will be required. While the City could wait another few years before Eden is totally unsupported, the lack of development of the product and dwindling support would stall and render other City's existing and potential new systems incompatible. In addition, the implementation process is lengthy and there is a risk in the ability to schedule an implementation project as more and more Eden clients choose other systems.

The City's current system users from various departments who would be working on a daily basis with the new software met and attended demonstrations of all modules from the new system. Based on the demonstrations as well as the cost and the discount offered due to the system being from the same company as the City's current system, staff is recommending MUNIS ERP from Tyler Technologies, Inc.

Tyler Technologies (Tyler) is a leader in the municipal government ERP space, with over 10,000 customers nationwide. Their MUNIS ERP is deployed by over 1,900 agencies, including over 130 in California. The Tyler MUNIS is designed specifically for governments and integrates finance, purchasing, payroll, human resources, and utilities billing solutions. The City's current ERP system is also a Tyler product. Moving from one Tyler platform to another will streamline certain elements of the implementation,

including data migration between the two systems.

The implementation of Tyler MUNIS will be an extensive project spanning multiple fiscal years. The implementation will be divided into phases that hit key milestones for "going live" with the software solutions. Each phase includes: evaluating the City's current workflows and business processes; identifying new processes to function within the new ERP; updating processes to current best practices enabled by the new ERP; testing the functionality and accuracy of the processes built into the new ERP, and training all users. The new system implementation will likely commence in spring 2022 with the complete transition (including finance, payroll, human resources, and utility billing) to the MUNIS ERP expected to be completed by Fiscal Year 2024-25. Before the implementation can begin, sufficient staff resources and their availability need to be identified, especially from the Information Technology (IT) Division as their participation along with Finance play a critical role in determining the timely and successful outcome of the implementation.

The total estimated cost for this project is \$796,854, broken into implementation fees, annual maintenance, and other miscellaneous costs.

- Implementation Fees - \$519,028. These fees are incurred as the implementation process proceeds through going live with the ERP system. This includes software, data migration, training, and related services.
- Annual Maintenance - \$130,906. Annual maintenance covers support and upgrade of the ERP system.
- Contingency - \$125,000. This is a contingency for unforeseen issues such as modifications to the software, additional modules, and or specialized applications/reports to account for unique business requirements of the City and outside consultant costs to assist with the implementation
- Travel Related Expenses - \$21,920. This will cover Tyler staff's travel and related costs during the multi-year implementation. In a typical setting, Tyler would send implementation teams in-person to work with staff several weeks at a time. Tyler may use alternative implementation methods due to the possible COVID restrictions, thus may not incur this level of expense.

COMMUNITY ENGAGEMENT: Inform

This staff report serves to inform the community of the proposed agreement with Tyler Technologies, Inc. for a new ERP.

ALTERNATIVE ACTIONS:

Council could direct staff not to implement the new ERP at this time. This action is not recommended as the current system is outdated and the City is at risk of not having a new system in place in time.

Alternatively, Council could direct staff to issue a Request for Proposals (RFP) for the new ERP. This action is not recommended as staff does not believe it would experience any potential cost savings from another system. In addition, substantial staff resources

would be required to implement a new system that is not from the same company as the City's current system.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On May 26, 2021, Council allocated \$810,000 from the City's American Rescue Act Plan funds to fund a new ERP.

FISCAL AND RESOURCE IMPACT:

Funding for this project has been programed in fiscal year 2021-22. Future funding for the annual maintenance cost will be programed in the budget process.

CEQA (California Environmental Quality Act):

Not a Project

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

LINKS/ATTACHMENTS:

1. Morgan Hill CA Munis LSA 101421



LICENSE AND SERVICES AGREEMENT

This License and Services Agreement is made between Tyler Technologies, Inc. and Client.

WHEREAS, Client is a member of Sourcewell (formerly known as National Joint Powers Alliance) ("Sourcewell") under member number 97407.

WHEREAS, Tyler participated in the competitive bid process in response to Sourcewell RFP #090320 by submitting a proposal, on which Sourcewell awarded Tyler a Sourcewell contract, numbered 090320-TTI (hereinafter, the "Sourcewell Contract");

WHEREAS, documentation of the Sourcewell competitive bid process, as well as Tyler's contract with and pricing information for Sourcewell is available at <https://sourcewell-mn.gov/cooperative-purchasing/>; and

WHEREAS, Client desires to purchase off the Sourcewell Contract to procure Munis software functionality from Tyler, which Tyler agrees to deliver pursuant to the Sourcewell Contract and under the terms and conditions set forth below;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and promises set forth in this Agreement, Tyler and Client agree as follows:

SECTION A – DEFINITIONS

- **"Agreement"** means this License and Services Agreement.
- **"Business Travel Policy"** means our business travel policy. A copy of our current Business Travel Policy is attached as Schedule 1 to Exhibit B.
- **"Client"** means City of Morgan Hill, California.
- **"Defect"** means a failure of the Tyler Software to substantially conform to the functional descriptions set forth in our written proposal to you, or their functional equivalent. Future functionality may be updated, modified, or otherwise enhanced through our maintenance and support services, and the governing functional descriptions for such future functionality will be set forth in our then-current Documentation.
- **"Defined Named Users"** means the maximum number of named users that are authorized to use the EnerGov labeled modules identified in the Investment Summary, if any.
- **"Developer"** means a third party who owns the intellectual property rights to Third Party Software.
- **"Documentation"** means any online or written documentation related to the use or functionality of the Tyler Software that we provide or otherwise make available to you, including instructions, user guides, manuals and other training or self-help documentation.
- **"Effective Date"** means the date by which both your and our authorized representatives have signed the Agreement.
- **"Force Majeure"** means an event beyond the reasonable control of you or us, including, without



limitation, governmental action, war, riot or civil commotion, fire, natural disaster, or any other cause that could not with reasonable diligence be foreseen or prevented by you or us.

- **“Investment Summary”** means the agreed upon cost proposal for the software, products, and services attached as Exhibit A.
- **“Invoicing and Payment Policy”** means the invoicing and payment policy. A copy of our current Invoicing and Payment Policy is attached as Exhibit B.
- **“Maintenance and Support Agreement”** means the terms and conditions governing the provision of maintenance and support services to all of our customers. A copy of our current Maintenance and Support Agreement is attached as Exhibit C.
- **“Order Form”** means an ordering document that includes a quote or investment summary and specifying the items to be provided by Tyler to Client, including any addenda and supplements thereto.
- **“Statement of Work”** means the industry standard implementation plan describing how our professional services will be provided to implement the Tyler Software, and outlining your and our roles and responsibilities in connection with that implementation. The Statement of Work is attached as Exhibit E.
- **“Support Call Process”** means the support call process applicable to all of our customers who have licensed the Tyler Software. A copy of our current Support Call Process is attached as Schedule 1 to Exhibit C.
- **“Third Party Hardware”** means the third party hardware, if any, identified in the Investment Summary.
- **“Third Party Products”** means the Third Party Software and Third Party Hardware.
- **“Third Party Services”** means the third party services, if any, identified in the Investment Summary.
- **“Third Party Software”** means the third party software, if any, identified in the Investment Summary.
- **“Third Party Terms”** means, if any, the end user license agreement(s) or similar terms for the Third Party Products or other parties’ products or services, as applicable, and attached or indicated at Exhibit D.
- **“Tyler”** means Tyler Technologies, Inc., a Delaware corporation.
- **“Tyler Software”** means our proprietary software, including any integrations, custom modifications, and/or other related interfaces identified in the Investment Summary and licensed by us to you through this Agreement.
- **“we”, “us”, “our”** and similar terms mean Tyler.
- **“you”** and similar terms mean Client.

SECTION B – SOFTWARE LICENSE

1. License Grant and Restrictions.

1.1 We grant to you a license to use the Tyler Software for your internal business purposes only, in the scope of the internal business purposes disclosed to us as of the Effective Date. You may make copies of the Tyler Software for backup and testing purposes, so long as such copies are not used in production and the testing is for internal use only.

1.2 Without limiting the terms of Section 1.1, you understand and agree that the Tyler Software set forth in the Investment Summary as subscription or software as a service (“SaaS”) do not include perpetual rights. If you do not pay the required annual fee in accordance with the Invoicing and

Payment Policy, your right to use the applicable Software will be suspended unless and until payment in full has been made. Tyler Software provided as SaaS is subject to the Tyler SaaS Services Terms and Service Level Agreement found here: <https://www.tylertech.com/terms/tyler-saas-services>.

- 1.3 The Documentation is licensed to you and may be used and copied by your employees for internal, non-commercial reference purposes only.
- 1.4 You may not: (a) transfer or assign the Tyler Software to a third party; (b) reverse engineer, decompile, or disassemble the Tyler Software; (c) rent, lease, lend, or provide commercial hosting services with the Tyler Software; or (d) publish or otherwise disclose the Tyler Software or Documentation to third parties.
- 1.5 The license terms in this Agreement apply to updates and enhancements we may provide to you or make available to you through your Maintenance and Support Agreement.
- 1.6 The right to transfer the Tyler Software to a replacement hardware system is included in your license. You will give us advance written notice of any such transfer and will pay us for any required or requested technical assistance from us associated with such transfer.
- 1.7 Where applicable with respect to our applications that take or process card payment data, we are responsible for the security of cardholder data that we possess, including functions relating to storing, processing, and transmitting of the cardholder data and affirm that, as of the Effective Date, we comply with applicable requirements to be considered PCI DSS compliant and have performed the necessary steps to validate compliance with the PCI DSS. We agree to supply the current status of our PCI DSS compliance program in the form of an official Attestation of Compliance, which can be found at <https://www.tylertech.com/about-us/compliance>, and in the event of any change in our status, will comply with applicable notice requirements.
- 1.8 We reserve all rights not expressly granted to you in this Agreement. The Tyler Software and Documentation are protected by copyright and other intellectual property laws and treaties. We own the title, copyright, and other intellectual property rights in the Tyler Software and the Documentation. **The Tyler Software is licensed, not sold.**
2. License Fees. You agree to pay us the license fees in the amounts set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.
3. Limited Warranty. We warrant that the Tyler Software will be without Defect(s) as long as you have a Maintenance and Support Agreement in effect. If the Tyler Software does not perform as warranted, we will use all reasonable efforts, consistent with industry standards, to cure the Defect as set forth in the Maintenance and Support Agreement.
4. Socrata Solution Terms. Your use of Tyler's Socrata-based solutions is subject to the terms found here: <https://www.tylertech.com/terms/socrata-saas-services-terms-of-service>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using a Tyler Socrata-based solution provided to you by Tyler, you agree that you have read, understood, and agree to such terms.

SECTION C – PROFESSIONAL SERVICES

1. Services. We will provide you the various implementation-related services itemized in the Investment Summary and described in the Statement of Work.
2. Professional Services Fees. You agree to pay us the professional services fees in the amounts set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy. You acknowledge that the fees stated in the Investment Summary are good-faith estimates of the amount of time and materials required for your implementation. We will bill you the actual fees incurred based on the in-scope services provided to you. Any discrepancies in the total values set forth in the Investment Summary will be resolved by multiplying the applicable hourly rate by the quoted hours.
3. Additional Services. The Investment Summary contains, and the Statement of Work describes, the scope of services and related costs (including programming and/or interface estimates) required for the project based on our understanding of the specifications you supplied. If additional work is required, or if you use or request additional services, we will provide you with an addendum or change order, as applicable, outlining the costs for the additional work. The price quotes in the addendum or change order will be valid for thirty (30) days from the date of the quote.
4. Cancellation. We make all reasonable efforts to schedule our personnel for travel, including arranging travel reservations, at least two (2) weeks in advance of commitments. Therefore, if you cancel services less than two (2) weeks in advance (other than for Force Majeure or breach by us), you will be liable for all (a) non-refundable expenses incurred by us on your behalf, and (b) daily fees associated with cancelled professional services if we are unable to reassign our personnel. We will make all reasonable efforts to reassign personnel in the event you cancel within two (2) weeks of scheduled commitments.
5. Services Warranty. We will perform the services in a professional, workmanlike manner, consistent with industry standards. In the event we provide services that do not conform to this warranty, we will re-perform such services at no additional cost to you.
6. Site Access and Requirements. At no cost to us, you agree to provide us with full and free access to your personnel, facilities, and equipment as may be reasonably necessary for us to provide implementation services, subject to any reasonable security protocols or other written policies provided to us as of the Effective Date, and thereafter as mutually agreed to by you and us. You further agree to provide a reasonably suitable environment, location, and space for the installation of the Tyler Software and any Third Party Products, including, without limitation, sufficient electrical circuits, cables, and other reasonably necessary items required for the installation and operation of the Tyler Software and any Third Party Products.
7. Client Assistance. You acknowledge that the implementation of the Tyler Software is a cooperative process requiring the time and resources of your personnel. You agree to use all reasonable efforts to cooperate with and assist us as may be reasonably required to meet the agreed upon project deadlines and other milestones for implementation. This cooperation includes at least working with us to schedule the implementation-related services outlined in this Agreement. We will not be liable for failure to meet any deadlines and milestones when such failure is due to Force Majeure or to the failure by your personnel to provide such cooperation and assistance (either through action or omission).

8. Background Checks. For at least the past twelve (12) years, all of our employees have undergone criminal background checks prior to hire. All employees sign our confidentiality agreement and security policies.

SECTION D – MAINTENANCE AND SUPPORT

This Agreement includes the period of free maintenance and support services identified in the Invoicing and Payment Policy. If you have purchased ongoing maintenance and support services, and continue to make timely payments for them according to our Invoicing and Payment Policy, we will provide you with maintenance and support services for the Tyler Software under the terms of our standard Maintenance and Support Agreement.

If you have opted not to purchase ongoing maintenance and support services for the Tyler Software, the Maintenance and Support Agreement does not apply to you. Instead, you will only receive ongoing maintenance and support on the Tyler Software on a time and materials basis. In addition, you will:

- (i) receive the lowest priority under our Support Call Process;
- (ii) be required to purchase new releases of the Tyler Software, including fixes, enhancements and patches;
- (iii) be charged our then-current rates for support services, or such other rates that we may consider necessary to account for your lack of ongoing training on the Tyler Software;
- (iv) be charged for a minimum of two (2) hours of support services for every support call; and
- (v) not be granted access to the support website for the Tyler Software or the Tyler Community Forum.

SECTION E – THIRD PARTY PRODUCTS

To the extent there are any Third Party Products set forth in the Investment Summary, the following terms and conditions will apply:

1. Third Party Hardware. We will sell, deliver, and install onsite the Third Party Hardware, if you have purchased any, for the price set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.
2. Third Party Software. Upon payment in full of the Third Party Software license fees, you will receive a non-transferable license to use the Third Party Software and related documentation for your internal business purposes only. Your license rights to the Third Party Software will be governed by the Third Party Terms.
 - 2.1 We will install onsite the Third Party Software. The installation cost is included in the installation fee in the Investment Summary.
 - 2.2 If the Developer charges a fee for future updates, releases, or other enhancements to the Third Party Software, you will be required to pay such additional future fee.
 - 2.3 The right to transfer the Third Party Software to a replacement hardware system is governed by the Developer. You will give us advance written notice of any such transfer and will pay us for

any required or requested technical assistance from us associated with such transfer.

3. Third Party Products Warranties.

- 3.1 We are authorized by each Developer to grant or transfer the licenses to the Third Party Software.
 - 3.2 The Third Party Hardware will be new and unused, and upon payment in full, you will receive free and clear title to the Third Party Hardware.
 - 3.3 You acknowledge that we are not the manufacturer of the Third Party Products. We do not warrant or guarantee the performance of the Third Party Products. However, we grant and pass through to you any warranty that we may receive from the Developer or supplier of the Third Party Products.
4. Third Party Services. If you have purchased Third Party Services, those services will be provided independent of Tyler by such third-party at the rates set forth in the Investment Summary and in accordance with our Invoicing and Payment Policy.
5. Maintenance. If you have a Maintenance and Support Agreement in effect, you may report defects and other issues related to the Third Party Software directly to us, and we will (a) directly address the defect or issue, to the extent it relates to our interface with the Third Party Software; and/or (b) facilitate resolution with the Developer, unless that Developer requires that you have a separate, direct maintenance agreement in effect with that Developer. In all events, if you do not have a Maintenance and Support Agreement in effect with us, you will be responsible for resolving defects and other issues related to the Third Party Software directly with the Developer.

SECTION F – INVOICING AND PAYMENT; INVOICE DISPUTES

- 1. Invoicing and Payment. We will invoice you for all fees set forth in the Investment Summary per our Invoicing and Payment Policy, subject to Section F(2).
- 2. Invoice Disputes. If you believe any delivered software or service does not conform to the warranties in this Agreement, you will provide us with written notice within thirty (30) days of your receipt of the applicable invoice. The written notice must contain reasonable detail of the issues you contend are in dispute so that we can confirm the issue and respond to your notice with either a justification of the invoice, an adjustment to the invoice, or a proposal addressing the issues presented in your notice. We will work with you as may be necessary to develop an action plan that outlines reasonable steps to be taken by each of us to resolve any issues presented in your notice. You may withhold payment of the amount(s) actually in dispute, and only those amounts, until we complete the action items outlined in the plan. If we are unable to complete the action items outlined in the action plan because of your failure to complete the items agreed to be done by you, then you will remit full payment of the invoice. We reserve the right to suspend delivery of all services, including maintenance and support services, if you fail to pay an invoice not disputed as described above within fifteen (15) days of notice of our intent to do so.

SECTION G – TERMINATION

- 1. Termination. This Agreement may be terminated as set forth below. In the event of termination,

you will pay us for all undisputed fees and expenses related to the software, products, and/or services you have received, or we have incurred or delivered, prior to the effective date of termination. Disputed fees and expenses in all terminations other than your termination for cause must have been submitted as invoice disputes in accordance with Section F(2).

- 1.1 For Cause. If you believe we have materially breached this Agreement, you will invoke the Dispute Resolution clause set forth in Section I(3). You may terminate this Agreement for cause in the event we do not cure, or create a mutually agreeable action plan to address, a material breach of this Agreement within the thirty (30) day window set forth in Section I(3).
- 1.2 Force Majeure. Either party has the right to terminate this Agreement if a Force Majeure event suspends performance of this Agreement for a period of forty-five (45) days or more.
- 1.3 Lack of Appropriations. If you should not appropriate or otherwise receive funds sufficient to purchase, lease, operate, or maintain the software or services set forth in this Agreement, you may unilaterally terminate this Agreement upon thirty (30) days written notice to us. You will not be entitled to a refund or offset of previously paid license and other fees. You agree not to use termination for lack of appropriations as a substitute for termination for convenience.

SECTION H – INDEMNIFICATION, LIMITATION OF LIABILITY AND INSURANCE

1. Intellectual Property Infringement Indemnification.

- 1.1 We will defend you against any third party claim(s) that the Tyler Software or Documentation infringes that third party's patent, copyright, or trademark, or misappropriates its trade secrets, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent). You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.
- 1.2 Our obligations under this Section H(1) will not apply to the extent the claim or adverse final judgment is based on your: (a) use of a previous version of the Tyler Software and the claim would have been avoided had you installed and used the current version of the Tyler Software, and we provided notice of that requirement to you; (b) combining the Tyler Software with any product or device not provided, contemplated, or approved by us; (c) altering or modifying the Tyler Software, including any modification by third parties at your direction or otherwise permitted by you; (d) use of the Tyler Software in contradiction of this Agreement, including with non-licensed third parties; or (e) willful infringement, including use of the Tyler Software after we notify you to discontinue use due to such a claim.
- 1.3 If we receive information concerning an infringement or misappropriation claim related to the Tyler Software, we may, at our expense and without obligation to do so, either: (a) procure for you the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent, in which case you will stop running the allegedly infringing Tyler Software immediately. Alternatively, we may decide to litigate the claim to judgment, in which case you may continue to use the Tyler Software consistent with the terms of this Agreement.
- 1.4 If an infringement or misappropriation claim is fully litigated and your use of the Tyler Software is enjoined by a court of competent jurisdiction, in addition to paying any adverse final

judgment (or settlement to which we consent), we will, at our option, either: (a) procure the right to continue its use; (b) modify it to make it non-infringing; (c) replace it with a functional equivalent; or (d) terminate your license and refund the license fees paid for the infringing Tyler Software, as depreciated on a straight-line basis measured over seven (7) years from the Effective Date. We will pursue those options in the order listed herein. This section provides your exclusive remedy for third party copyright, patent, or trademark infringement and trade secret misappropriation claims.

2. General Indemnification.

2.1 We will indemnify and hold harmless you and your agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for (a) personal injury or property damage to the extent caused by our negligence or willful misconduct; or (b) our violation of PCI DSS requirements or a law applicable to our performance under this Agreement. You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.

2.2 To the extent permitted by applicable law, you will indemnify and hold harmless us and our agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for personal injury or property damage to the extent caused by your negligence or willful misconduct; or (b) your violation of a law applicable to your performance under this Agreement. We will notify you promptly in writing of the claim and will give you sole control over its defense or settlement. We agree to provide you with reasonable assistance, cooperation, and information in defending the claim at your expense.

3. **DISCLAIMER.** EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WE HEREBY DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES, DUTIES, OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

4. **LIMITATION OF LIABILITY.** EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, OUR LIABILITY FOR DAMAGES ARISING OUT OF THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO YOUR ACTUAL DIRECT DAMAGES, NOT TO EXCEED (A) PRIOR TO FORMAL TRANSITION TO MAINTENANCE AND SUPPORT, THE TOTAL ONE-TIME FEES SET FORTH IN THE INVESTMENT SUMMARY; OR (B) AFTER FORMAL TRANSITION TO MAINTENANCE AND SUPPORT, THE THEN-CURRENT ANNUAL MAINTENANCE AND SUPPORT FEE. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE PRICES SET FORTH IN THIS AGREEMENT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY AND TO THE MAXIMUM EXTENT ALLOWED UNDER APPLICABLE LAW, THE EXCLUSION OF CERTAIN DAMAGES, AND EACH SHALL APPLY REGARDLESS OF THE FAILURE OF AN ESSENTIAL PURPOSE OF ANY REMEDY. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS THAT ARE SUBJECT TO SECTIONS H(1) AND H(2).

5. **EXCLUSION OF CERTAIN DAMAGES.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL WE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR

CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

6. Insurance. During the course of performing services under this Agreement, we agree to maintain the following levels of insurance: (a) Commercial General Liability of at least \$1,000,000; (b) Automobile Liability of at least \$1,000,000; (c) Professional Liability of at least \$1,000,000; (d) Workers Compensation complying with applicable statutory requirements; and (e) Excess/Umbrella Liability of at least \$5,000,000. We will add you as an additional insured to our Commercial General Liability and Automobile Liability policies, which will automatically add you as an additional insured to our Excess/Umbrella Liability policy as well. We will provide you with copies of certificates of insurance upon your written request.

SECTION I – GENERAL TERMS AND CONDITIONS

1. Additional Products and Services. You may purchase additional products and services at the rates set forth in the Investment Summary for twelve (12) months from the Effective Date, and thereafter at our then-current list price, by executing a mutually agreed addendum. If no rate is provided in the Investment Summary, or those twelve (12) months have expired, you may purchase additional products and services at our then-current list price, also by executing a mutually agreed addendum. The terms of this Agreement will control any such additional purchase(s), unless otherwise specifically provided in the addendum.
2. Optional Items. Pricing for any listed optional products and services in the Investment Summary will be valid for twelve (12) months from the Effective Date.
3. Dispute Resolution. You agree to provide us with written notice within thirty (30) days of becoming aware of a dispute. You agree to cooperate with us in trying to reasonably resolve all disputes, including, if requested by either party, appointing a senior representative to meet and engage in good faith negotiations with our appointed senior representative. Senior representatives will convene within thirty (30) days of the written dispute notice, unless otherwise agreed. All meetings and discussions between senior representatives will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar applicable state rule. If we fail to resolve the dispute, then the parties shall participate in non-binding mediation in an effort to resolve the dispute. If the dispute remains unresolved after mediation, then either of us may assert our respective rights and remedies in a court of competent jurisdiction. Nothing in this section shall prevent you or us from seeking necessary injunctive relief during the dispute resolution procedures.
4. Taxes. The fees in the Investment Summary do not include any taxes, including, without limitation, sales, use, or excise tax. If you are a tax-exempt entity, you agree to provide us with a tax-exempt certificate. Otherwise, we will pay all applicable taxes to the proper authorities and you will reimburse us for such taxes. If you have a valid direct-pay permit, you agree to provide us with a copy. For clarity, we are responsible for paying our income taxes, both federal and state, as applicable, arising from our performance of this Agreement.
5. Nondiscrimination. We will not discriminate against any person employed or applying for employment concerning the performance of our responsibilities under this Agreement. This discrimination prohibition will apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment

concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation. We will post, where appropriate, all notices related to nondiscrimination as may be required by applicable law.

6. E-Verify. We have complied, and will comply, with the E-Verify procedures administered by the U.S. Citizenship and Immigration Services Verification Division for all of our employees assigned to your project.
7. Subcontractors. We will not subcontract any services under this Agreement without your prior written consent, not to be unreasonably withheld.
8. Binding Effect; No Assignment. This Agreement shall be binding on, and shall be for the benefit of, either your or our successor(s) or permitted assign(s). Neither party may assign this Agreement without the prior written consent of the other party; provided, however, your consent is not required for an assignment by us as a result of a corporate reorganization, merger, acquisition, or purchase of substantially all of our assets.
9. Force Majeure. Except for your payment obligations, neither party will be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by Force Majeure; provided, however, that within ten (10) business days of the Force Majeure event, the party whose performance is delayed provides the other party with written notice explaining the cause and extent thereof, as well as a request for a reasonable time extension equal to the estimated duration of the Force Majeure event.
10. No Intended Third Party Beneficiaries. This Agreement is entered into solely for the benefit of you and us. No third party will be deemed a beneficiary of this Agreement, and no third party will have the right to make any claim or assert any right under this Agreement. This provision does not affect the rights of third parties under any Third Party Terms.
11. Entire Agreement; Amendment. This Agreement represents the entire agreement between you and us with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. Purchase orders submitted by you, if any, are for your internal administrative purposes only, and the terms and conditions contained in those purchase orders will have no force or effect. This Agreement may only be modified by a written amendment signed by an authorized representative of each party.
12. Severability. If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement will be considered valid and enforceable to the fullest extent permitted by law.
13. No Waiver. In the event that the terms and conditions of this Agreement are not strictly enforced by either party, such non-enforcement will not act as or be deemed to act as a waiver or modification of this Agreement, nor will such non-enforcement prevent such party from enforcing each and every term of this Agreement thereafter.
14. Independent Contractor. We are an independent contractor for all purposes under this Agreement.
15. Notices. All notices or communications required or permitted as a part of this Agreement, such as

notice of an alleged material breach for a termination for cause or a dispute that must be submitted to dispute resolution, must be in writing and will be deemed delivered upon the earlier of the following: (a) actual receipt by the receiving party; (b) upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the receiving party; (c) upon receipt by sender of proof of email delivery; or (d) if not actually received, five (5) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the other party at the address set forth on the signature page hereto or such other address as the party may have designated by proper notice. The consequences for the failure to receive a notice due to improper notification by the intended receiving party of a change in address will be borne by the intended receiving party.

16. Client Lists. You agree that we may identify you by name in client lists, marketing presentations, and promotional materials.
17. Confidentiality. Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities, including the parties. Confidential information is nonpublic information that a reasonable person would believe to be confidential and includes, without limitation, personal identifying information (*e.g.*, social security numbers) and trade secrets, each as defined by applicable state law. Each party agrees that it will not disclose any confidential information of the other party and further agrees to take all reasonable and appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein will survive the termination or cancellation of this Agreement. This obligation of confidentiality will not apply to information that:
 - (a) is in the public domain, either at the time of disclosure or afterwards, except by breach of this Agreement by a party or its employees or agents;
 - (b) a party can establish by reasonable proof was in that party's possession at the time of initial disclosure;
 - (c) a party receives from a third party who has a right to disclose it to the receiving party; or
 - (d) is the subject of a legitimate disclosure request under the open records laws or similar applicable public disclosure laws governing this Agreement; provided, however, that in the event you receive an open records or other similar applicable request, you will give us prompt notice and otherwise perform the functions required by applicable law.
18. Business License. In the event a local business license is required for us to perform services hereunder, you will promptly notify us and provide us with the necessary paperwork and/or contact information so that we may timely obtain such license.
19. Governing Law. This Agreement will be governed by and construed in accordance with the laws of your state of domicile, without regard to its rules on conflicts of law.
20. Multiple Originals and Authorized Signatures. This Agreement may be executed in multiple originals, any of which will be independently treated as an original document. Any electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment hereto will be deemed an original signature and will be fully enforceable as if an original signature. Each party represents to the other that the signatory set forth below is duly authorized to bind that party to this Agreement.

21. Cooperative Procurement. To the maximum extent permitted by applicable law, we agree that this Agreement may be used as a cooperative procurement vehicle by eligible jurisdictions. We reserve the right to negotiate and customize the terms and conditions set forth herein, including but not limited to pricing, to the scope and circumstances of that cooperative procurement.
22. License Rights Terminate Upon Migration. When Tyler makes Tyler Software discounted 100% in the Investment Summary (the "Evergreen Modules") licensed pursuant to this Agreement available to the Client for use in live production, the license to the Tyler software listed in Exhibit A, Schedule 1 (hereafter, "Migration Modules") terminates, as do Tyler's maintenance, support, and/or update obligations for such software.
23. Contract Documents. This Agreement includes the following exhibits:

Exhibit A	Investment Summary Schedule 1: Migration Modules
Exhibit B	Invoicing and Payment Policy Schedule 1: Business Travel Policy
Exhibit C	Maintenance and Support Agreement Schedule 1: Support Call Process
Exhibit D	Third Party Terms Schedule 1: Hyperlinked Terms Schedule 2: DocOrigin Terms
Exhibit E	Statement of Work

IN WITNESS WHEREOF, a duly authorized representative of each party has executed this Agreement as of the date(s) set forth below.

Tyler Technologies, Inc.

City of Morgan Hill, CA

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Address for Notices:

Tyler Technologies, Inc.
One Tyler Drive
Yarmouth, ME 04096
Attention: Chief Legal Officer

Address for Notices:

City of Morgan Hill
16200 Vineyard Boulevard Front
Morgan Hill, CA 95037

Attention: _____

Attachment: Morgan Hill CA Munis LSA 101421 (3199 : Approve Agreement with Tyler Technologies for a New ERP)



Exhibit A

Investment Summary

The following Investment Summary details the software, products, and services to be delivered by us to you under the Agreement. This Investment Summary is effective as of the Effective Date. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

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Attachment: Morgan Hill CA Munis LSA 101421 (3199 : Approve Agreement with Tyler Technologies for a New ERP)



Quoted By: Jason Cloutier
 Date: 9/20/2021
 Quote Expiration: 12/31/2021
 Quote Name: City of Morgan Hill-ERP-Munis
 Quote Number: 2021-122050
 Quote Description: Munis Quote (9.20.21)

Sales Quotation For

City of Morgan Hill
 16200 Vineyard Blvd Frnt
 Morgan Hill , CA 95037-7165
 Phone: +1 (408) 779-7238

Tyler Software and Related Services

Description	License	Data Conversion	Module Total	Maintenance
Financials				
Accounting/GL	\$100,388	\$20,000	\$120,388	\$18,070
Accounts Payable	\$30,123	\$0	\$30,123	\$5,422
Budgeting	\$30,123	\$0	\$30,123	\$5,422
Capital Assets	\$29,311	\$4,500	\$33,811	\$5,276
Cash Management	\$20,662	\$0	\$20,662	\$3,719
Contract Management	\$13,049	\$0	\$13,049	\$2,349
Project and Grant Accounting	\$21,658	\$7,000	\$28,658	\$3,898
Purchasing	\$50,018	\$4,000	\$54,018	\$9,003
Human Capital Management				
Human Resources and Talent Management	\$10,232	\$2,800	\$13,032	\$1,842
Payroll w/ESS	\$12,522	\$10,400	\$22,922	\$2,254
Revenue				
Accounts Receivable	\$25,400	\$0	\$25,400	\$4,572
General Billing	\$14,163	\$11,200	\$25,363	\$2,549
Tyler Cashiering	\$37,959	\$0	\$37,959	\$6,833
UB Interface	\$9,200	\$0	\$9,200	\$1,656
Utility Billing CIS	\$26,134	\$28,800	\$54,934	\$4,704
Document Management				
Tyler Content Manager SE	\$35,946	\$0	\$35,946	\$6,470
Tyler Forms				
Tyler ReadyForms Processing (including Common Form Set)	\$24,900	\$0	\$24,900	\$4,980
Tyler Annual Services				
Tyler System Management Services Contract	\$0	\$0	\$0	\$22,255
<i>Sub-Total:</i>	\$491,788	\$88,700	\$580,488	\$111,274
<i>Less Discount:</i>	\$337,005	\$44,350	\$381,355	
TOTAL:	\$154,783	\$44,350	\$199,133	\$111,274

Attachment: Morgan Hill CA Munis LSA 101421 (3199 : Approve Agreement with Tyler Technologies for a New ERP)

Annual**One Time Fees**

Description	Annual Fee	Data Conversion
Data and Reporting		
Munis Analytics and Reporting	\$19,632	\$0
TOTAL:	\$19,632	\$0

Other Services

Description	Quantity	Unit Price	Extended Price	Maintenance
Data and Reporting - Onsite Hours	28	\$210	\$5,880	\$0
Data and Reporting - Remote Hours	76	\$185	\$14,060	\$0
Document Management - Onsite Hours	16	\$210	\$3,360	\$0
Document Management - Remote Hours	48	\$185	\$8,880	\$0
Financials - Onsite Hours	152	\$210	\$31,920	\$0
Financials - Remote Hours	448	\$185	\$82,880	\$0
Human Capital Management - Onsite Hours	68	\$210	\$14,280	\$0
Human Capital Management - Remote Hours	188	\$185	\$34,780	\$0
Revenue - Onsite Hours	108	\$210	\$22,680	\$0
Revenue - Remote Hours	284	\$185	\$52,540	\$0
Project Management	176	\$185	\$32,560	\$0
Install Fee - New Server Install-WIN	1	\$12,000	\$12,000	\$0
Total:			\$315,820	\$0

Third Party Hardware, Software and Services

Description	Quantity	Unit Price	Unit Discount	Total Price	Maintenance	Maintenance Discount	Total Maintenance
Cash Drawer	1	\$260	\$0	\$260	\$0	\$0	\$0
Hand Held Scanner - Model 1950GSR	1	\$450	\$0	\$450	\$0	\$0	\$0
ID Tech MiniMag USB Reader	1	\$62	\$0	\$62	\$0	\$0	\$0
Hand Held Scanner Stand	1	\$30	\$0	\$30	\$0	\$0	\$0
Printer (TM-S9000)	1	\$1,623	\$0	\$1,623	\$0	\$0	\$0
Tyler Secure Signature System with 2 Keys	1	\$1,650	\$0	\$1,650	\$0	\$0	\$0
TOTAL:				\$4,075			\$0

Summary

	One Time Fees	Recurring Fees
Total Tyler Software	\$154,783.00	\$111,274.00
Total Tyler Annual		\$19,632.00
Total Tyler Services	\$360,170.00	\$0.00
Total Third Party Hardware, Software and Services	\$4,075.00	\$0.00
Summary Total	\$519,028.00	\$130,906.00
Contract Total (Excluding Estimated Travel)	\$649,934.00	
Estimated Travel Expenses	\$21,920.00	

Detailed Breakdown of Conversions (Included in contract total)

Description	Unit Price	Unit Discount	Extended Price
Conversion Services			
AC - Actuals	\$2,000	\$1,000	\$2,000
AC - Budgets	\$2,000	\$1,000	\$2,000
AC Standard COA	\$3,000	\$1,500	\$3,000
AP - Checks	\$4,500	\$2,250	\$4,500
AP - Invoice	\$5,500	\$2,750	\$5,500
AP Standard Master	\$3,000	\$1,500	\$3,000
CA Std Master	\$4,500	\$2,250	\$4,500
GB - Recurring Invoices	\$4,000	\$2,000	\$4,000
GB - Bills	\$5,000	\$2,500	\$5,000
GB Std CID	\$2,200	\$1,100	\$2,200
PG - Actuals	\$2,000	\$1,000	\$2,000
PG - Budgets	\$2,000	\$1,000	\$2,000
PGA Standard	\$3,000	\$1,500	\$3,000
PR Payroll - Deductions	\$1,800	\$900	\$1,800
PR Payroll - Accrual Balances	\$1,500	\$750	\$1,500
PR Payroll - Accumulators	\$1,400	\$700	\$1,400
PR Payroll - Check History	\$1,200	\$600	\$1,200
PR Payroll - Earning/Deduction Hist	\$2,500	\$1,250	\$2,500
HR Human Resources - PM Action History	\$1,400	\$700	\$1,400
HR Human Resources - Position Control	\$1,400	\$700	\$1,400
PR Payroll - Standard	\$2,000	\$1,000	\$2,000
Purchasing - Standard	\$4,000	\$2,000	\$4,000
Utility Billing - Services	\$4,100	\$2,050	\$4,100
Utility Billing - Assessments	\$1,800	\$900	\$1,800
Utility Billing - Consumption History	\$3,000	\$1,500	\$3,000
Utility Billing - Balance Forward AR	\$6,100	\$3,050	\$6,100
Utility Billing - Service Orders	\$3,100	\$1,550	\$3,100
Utility Billing - Backflow	\$2,000	\$1,000	\$2,000
Utility Billing - Standard	\$4,600	\$2,300	\$4,600
Utility Billing - Budget Billing	\$4,100	\$2,050	\$4,100
<i>Less Discount:</i>			<i>\$44,350</i>
Total:			\$44,350

Tyler Discount Detail

Description	License	License Discount	License Net	Maintenance	Maint Discount	Maint Net
Financials						
Contract Management	\$13,049	\$0	\$13,049	\$2,349	\$0	\$2,349
Capital Assets	\$29,311	\$29,311	\$0	\$5,276	\$0	\$5,276
Project and Grant Accounting	\$21,658	\$21,658	\$0	\$3,898	\$0	\$3,898
Cash Management	\$20,662	\$0	\$20,662	\$3,719	\$0	\$3,719
Purchasing	\$50,018	\$50,018	\$0	\$9,003	\$0	\$9,003

Budgeting	\$30,123	\$30,123	\$0	\$5,422	\$0	\$5,422
Accounts Payable	\$30,123	\$30,123	\$0	\$5,422	\$0	\$5,422
Accounting/GL	\$100,388	\$100,388	\$0	\$18,070	\$0	\$18,070
Human Capital Management						
Human Resources and Talent Management	\$10,232	\$10,232	\$0	\$1,842	\$0	\$1,842
Payroll w/ESS	\$12,522	\$12,522	\$0	\$2,254	\$0	\$2,254
Revenue						
Accounts Receivable	\$25,400	\$25,400	\$0	\$4,572	\$0	\$4,572
General Billing	\$14,163	\$14,163	\$0	\$2,549	\$0	\$2,549
Tyler Cashiering	\$37,959	\$0	\$37,959	\$6,833	\$0	\$6,833
UB Interface	\$9,200	\$0	\$9,200	\$1,656	\$0	\$1,656
Utility Billing CIS	\$26,134	\$13,067	\$13,067	\$4,704	\$0	\$4,704
Document Management						
Tyler Content Manager SE	\$35,946	\$0	\$35,946	\$6,470	\$0	\$6,470
Tyler Forms						
Tyler ReadyForms Processing (including Common Form Set)	\$24,900	\$0	\$24,900	\$4,980	\$0	\$4,980
Tyler Annual Services						
Tyler System Management Services Contract	\$0	\$0	\$22,255	\$22,255	\$0	\$22,255
Total:	\$350,072	\$337,005	\$13,067	\$63,012	\$0	\$63,012

Total: **\$19,632** **\$0** **\$19,632**

Unless otherwise indicated in the contract or amendment thereto, pricing for optional items will be held for six (6) months from the Quote date or the Effective Date of the contract, whichever is later.

Client Approval: _____ Date: _____

Print Name: _____ P.O.#: _____

Comments

Tyler System Management Services is calculated at 25% of the Munis annual maintenance. There is a \$2,500 minimum annual fee.

The Tyler Software Product Tyler ReadyForms Processing must be used in conjunction with a Hewlett Packard printer supported by Tyler for printing checks.

Conversion prices are based on a single occurrence of the database. If additional databases need to be converted, these will need to be quoted.

Tyler's quote contains estimates of the amount of services needed, based on our preliminary understanding of the size and scope of your project. The actual amount of services depends on such factors as your level of involvement in the project and the speed of knowledge transfer.

Unless otherwise noted, prices submitted in the quote do not include travel expenses incurred in accordance with Tyler's then-current Business Travel Policy.

Tyler's prices do not include applicable local, city or federal sales, use excise, personal property or other similar taxes or duties, which you are responsible for determining and remitting. Installations are completed remotely, but can be done onsite upon request at an additional cost.

In the event Client cancels services less than two (2) weeks in advance, Client is liable to Tyler for (i) all non-refundable expenses incurred by Tyler on Client's behalf; and (ii) daily fees associated with the cancelled services if Tyler is unable to re-assign its personnel.

Implementation hours are scheduled and delivered in four (4) or eight (8) hour increments.

Tyler provides onsite training for a maximum of 12 people per class. In the event that more than 12 users wish to participate in a training class or more than one occurrence of a class is needed, Tyler will either provide additional days at then-current rates for training or Tyler will utilize a Train-the-Trainer approach whereby the client designated attendees of the initial training can thereafter train the remaining users.

In the event Client acquires from Tyler any edition of Tyler Content Manager software other than Enterprise Edition, the license for Content Manager is restricted to use with Tyler applications only. If Client wishes to use Tyler Content Manager software with non-Tyler applications, Client must purchase or upgrade to Tyler Content Manager Enterprise Edition.

Payroll library includes: 1 PR check, 1 direct deposit, 1 vendor from payroll check, 1 vendor from payroll direct deposit, W2, W2c, ACA 1095B, ACA 1095C and 1099 R.

Comments

General Billing library includes: 1 invoice, 1 statement, 1 general billing receipt and 1 miscellaneous receipt.

Includes digitizing two signatures, additional charges will apply for additional signatures.

Personnel Actions Forms Library includes: 1 Personnel Action form - New and 1 Personnel Action Form - Change.

Tyler's pricing is based on the scope of proposed products and services being obtained from Tyler. Should portions of the scope of products or services be removed by the Client, Tyler reserves the right to adjust prices for the remaining scope accordingly.

Project Management includes project planning, kickoff meeting, status calls, task monitoring, verification and transition to support.

Financial library includes: 1 A/P check, 1 EFT/ACH, 1 Purchase order, 1099M, 1099INT, 1099S, and 1099G.

Development modifications, interfaces and services, where applicable, shall be invoiced to the client in the following manner: 50% of total upon authorized signature to proceed on program specifications and the remaining 50% of total upon delivery of modifications, interface and services.

Any forms included in this quote are based on the standard form templates provided. Custom forms, additional forms and any custom programming are subject to additional fees not included in this quote. The additional fees would be quoted at the time of request, generally during the implementation of the forms. Please note that the form solution provided requires the use of approved printers. You may contact Tyler's support team for the most current list of approved printers.



Exhibit A
Schedule 1
Migration Modules

Accounts Receivable
Data Dictionaries
GL/AP/PG
Licensing
Payroll
Project Accounting
Requisitions
State Package
Human Resources Web
Human Resources
Fixed Assets
Advanced Budgeting
Benefits Enrollment Web
Tyler Output Processing

Attachment: Morgan Hill CA Munis LSA 101421 (3199 : Approve Agreement with Tyler Technologies for a New ERP)



Invoicing and Payment Policy

We will provide you with the software and services set forth in the Investment Summary. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

Invoicing: We will invoice you for the applicable license and services fees in the Investment Summary as set forth below. Your rights to dispute any invoice are set forth in the Agreement.

1. Tyler Software.

1.1 *License Fees:* License fees are invoiced 100% on the date when we provide you with access to the applicable Tyler Software (the "Software Access Date").

1.2 *Maintenance and Support Fees:* Year 1 maintenance and support fees are waived for one (1) year from the Effective Date. Year 2 maintenance and support fees are payable on the first anniversary of the Effective Date, and subsequent maintenance and support fees are invoiced annually in advance of each anniversary thereof. Your annual fees for years 2 through 5 will be at the rates set forth in the Investment Summary. Each subsequent year will be set at our then-current rates. On the first such anniversary, Client shall no longer be required to pay annual support fees for the Migration Modules.

1.3 *SaaS & Subscription Fees:* SaaS (including hosting) fees and subscription fees are invoiced on an annual basis, beginning on the first day of the month immediately following the Effective Date. Your annual SaaS fees and subscription fees for the initial Year 1 term, and renewal years 2 through 5, will be at the rates set forth in the Investment Summary. Each subsequent year, SaaS fees and subscription fees will be at our then-current rates.

2. Other Tyler Software and Services.

2.1 *Implementation and Other Professional Services (including training):* Implementation and other professional services (including training) are billed and invoiced as delivered, at the rates set forth in the Investment Summary.

2.2 *Consulting Services:* If you have purchased any Business Process Consulting services, if they have been quoted as fixed-fee services, they will be invoiced 50% upon delivery of the Best Practice Recommendations, by module, and 50% upon delivery of custom desktop procedures, by module. If you have purchased any Business Process Consulting services and they are quoted as an estimate, then we will bill you the actual services delivered on a time and materials basis.

2.3 *Conversions:* Fixed-fee conversions are invoiced 50% upon initial delivery of the converted

data, by conversion option, and 50% upon Client acceptance to load the converted data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, we will bill you the actual services delivered on a time and materials basis.

- 2.4 *Requested Modifications to the Tyler Software*: Requested modifications to the Tyler Software are invoiced 50% upon delivery of specifications and 50% upon delivery of the applicable modification. You must report any failure of the modification to conform to the specifications within thirty (30) days of delivery; otherwise, the modification will be deemed to be in compliance with the specifications after the 30-day window has passed. You may still report Defects to us as set forth in the Maintenance and Support Agreement.
- 2.5 *Other Fixed Price Services*: Except as otherwise provided, other fixed price services are invoiced as delivered, at the rates set forth in the Investment Summary. For the avoidance of doubt, where "Project Planning Services" are provided, payment will be due upon delivery of the Implementation Planning document.
- 2.6 *Systems Management*: Systems Management Services are invoiced on the Software Access Date and are provided in accordance with the terms of service for Tyler Systems Management found here: <https://www.tylertech.com/terms/tyler-systems-management-terms-of-service>.
- 2.7 *Annual Services*: Unless otherwise indicated in this Exhibit B, fees for annual services are due annually, in advance, commencing on the availability of the service. Your fees for annual services for the initial year 1 term, and renewal years 2 through 5, will be at the rates set forth in the Investment Summary. Each subsequent year, your fees for annual services will be at our then-current rates.
3. Third Party Products.
 - 3.1 *Third Party Software License Fees*: License fees for Third Party Software, if any, are invoiced when we make it available to you for downloading.
 - 3.2 *Third Party Software Maintenance*: The year 1 maintenance fees for the Third Party Software, if any, is invoiced when we make that Third Party Software available to you for downloading.
 - 3.3 *Third Party Hardware*: Third Party Hardware costs, if any, are invoiced upon delivery.
 - 3.4 *Third Party Services*: Fees for Third Party Services, if any, are invoiced as delivered, along with applicable expenses, at the rates set forth in the Investment Summary.
4. Transaction Fees. Unless paid directly by an end user at the time of transaction, per transaction (order, call, message, etc.) fees are invoiced on a quarterly basis. Fees are indicated in Schedule A and may be increased by Tyler upon notice of no less than thirty (30) days.
5. Expenses. The service rates in the Investment Summary do not include travel expenses. Expenses for Tyler delivered services will be billed as incurred and only in accordance with our then-current Business Travel Policy, plus a 10% travel agency processing fee. Our current

Business Travel Policy is attached to this Exhibit B at Schedule 1. Copies of receipts will be provided upon request; we reserve the right to charge you an administrative fee depending on the extent of your requests. Receipts for miscellaneous items less than twenty-five dollars and mileage logs are not available.

6. Credit for Prepaid Maintenance and Support Fees for Migration Modules. Client will receive a credit for the maintenance and support fees prepaid for the Migration Modules for the time period commencing on the first anniversary of the Effective Date of this Agreement. Migration Modules are listed at Exhibit A, Schedule 1.

Payment. Payment for undisputed invoices is due within forty-five (45) days of the invoice date. We prefer to receive payments electronically. Our electronic payment information is available by contacting AR@tylertech.com.



Exhibit B
Schedule 1
Business Travel Policy

1. Air Travel

A. Reservations & Tickets

The Travel Management Company (TMC) used by Tyler will provide an employee with a direct flight within two hours before or after the requested departure time, assuming that flight does not add more than three hours to the employee's total trip duration and the fare is within \$100 (each way) of the lowest logical fare. If a net savings of \$200 or more (each way) is possible through a connecting flight that is within two hours before or after the requested departure time and that does not add more than three hours to the employee's total trip duration, the connecting flight should be accepted.

Employees are encouraged to make advanced reservations to take full advantage of discount opportunities. Employees should use all reasonable efforts to make travel arrangements at least two (2) weeks in advance of commitments. A seven (7) day advance booking requirement is mandatory. When booking less than seven (7) days in advance, management approval will be required.

Except in the case of international travel where a segment of continuous air travel is six (6) or more consecutive hours in length, only economy or coach class seating is reimbursable. Employees shall not be reimbursed for "Basic Economy Fares" because these fares are non-refundable and have many restrictions that outweigh the cost-savings.

B. Baggage Fees

Reimbursement of personal baggage charges are based on trip duration as follows:

- Up to five (5) days = one (1) checked bag
- Six (6) or more days = two (2) checked bags

Baggage fees for sports equipment are not reimbursable.

2. Ground Transportation

A. Private Automobile

Mileage Allowance – Business use of an employee's private automobile will be reimbursed at the current IRS allowable rate, plus out of pocket costs for tolls and parking. Mileage will be calculated by using the employee's office as the starting and ending point, in compliance with IRS regulations. Employees who have been designated a home office should calculate miles from their home.

B. Rental Car

Employees are authorized to rent cars only in conjunction with air travel when cost, convenience, and the specific situation reasonably require their use. When renting a car for Tyler business, employees should select a "mid-size" or "intermediate" car. "Full" size cars may be rented when three or more employees are traveling together. Tyler carries leased vehicle coverage for business car rentals; except for employees traveling to Alaska and internationally (excluding Canada), additional insurance on the rental agreement should be declined.

C. Public Transportation

Taxi or airport limousine services may be considered when traveling in and around cities or to and from airports when less expensive means of transportation are unavailable or impractical. The actual fare plus a reasonable tip (15-18%) are reimbursable. In the case of a free hotel shuttle to the airport, tips are included in the per diem rates and will not be reimbursed separately.

D. Parking & Tolls

When parking at the airport, employees must use longer term parking areas that are measured in days as opposed to hours. Park and fly options located near some airports may also be used. For extended trips that would result in excessive parking charges, public transportation to/from the airport should be considered. Tolls will be reimbursed when receipts are presented.

3. Lodging

Tyler's TMC will select hotel chains that are well established, reasonable in price, and conveniently located in relation to the traveler's work assignment. Typical hotel chains include Courtyard, Fairfield Inn, Hampton Inn, and Holiday Inn Express. If the employee has a discount rate with a local hotel, the hotel reservation should note that discount and the employee should confirm the lower rate with the hotel upon arrival. Employee memberships in travel clubs such as AAA should be noted in their travel profiles so that the employee can take advantage of any lower club rates.

"No shows" or cancellation fees are not reimbursable if the employee does not comply with the hotel's cancellation policy.

Tips for maids and other hotel staff are included in the per diem rate and are not reimbursed separately.

Employees are not authorized to reserve non-traditional short-term lodging, such as Airbnb, VRBO, and HomeAway. Employees who elect to make such reservations shall not be reimbursed.

4. Meals and Incidental Expenses

Employee meals and incidental expenses while on travel status within the continental U.S. are in accordance with the federal per diem rates published by the General Services Administration. Incidental expenses include tips to maids, hotel staff, and shuttle drivers and other minor travel expenses. Per diem rates are available at www.gsa.gov/perdiem.

Per diem for Alaska, Hawaii, U.S. protectorates and international destinations are provided separately by the Department of State and will be determined as required.

A. Overnight Travel

For each full day of travel, all three meals are reimbursable. Per diems on the first and last day of a trip are governed as set forth below.

Departure Day

Depart before 12:00 noon	Lunch and dinner
Depart after 12:00 noon	Dinner

Return Day

Return before 12:00 noon	Breakfast
Return between 12:00 noon & 7:00 p.m.	Breakfast and lunch
Return after 7:00 p.m.*	Breakfast, lunch and dinner

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner.

The reimbursement rates for individual meals are calculated as a percentage of the full day per diem as follows:

Breakfast	15%
Lunch	25%
Dinner	60%

B. Same Day Travel

Employees traveling at least 100 miles to a site and returning in the same day are eligible to claim lunch on an expense report. Employees on same day travel status are eligible to claim dinner in the event they return home after 7:00 p.m.*

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner.

5. Internet Access – Hotels and Airports

Employees who travel may need to access their e-mail at night. Many hotels provide free high speed internet access and Tyler employees are encouraged to use such hotels whenever possible. If an employee's hotel charges for internet access it is reimbursable up to \$10.00 per day. Charges for internet access at airports are not reimbursable.

6. International Travel

All international flights with the exception of flights between the U.S. and Canada should be reserved through TMC using the "lowest practical coach fare" with the exception of flights that are six (6) or more consecutive hours in length. In such event, the next available seating class above coach shall be reimbursed.

When required to travel internationally for business, employees shall be reimbursed for photo fees, application fees, and execution fees when obtaining a new passport book, but fees related to passport renewals are not reimbursable. Visa application and legal fees, entry taxes and departure taxes are reimbursable.

The cost of vaccinations that are either required for travel to specific countries or suggested by the U.S. Department of Health & Human Services for travel to specific countries, is reimbursable.

Section 4, Meals & Incidental Expenses, and Section 2.b., Rental Car, shall apply to this section.



Exhibit C

Maintenance and Support Agreement

We will provide you with the following maintenance and support services for the Tyler Software. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

1. Term. We provide maintenance and support services on an annual basis. The initial term commences on the Effective Date and remains in effect for one (1) year. The term will renew automatically for additional one (1) year terms unless terminated in writing by either party at least thirty (30) days prior to the end of the then-current term. We will adjust the term to match your first use of the Tyler Software in live production if that event precedes the one (1) year anniversary of the Effective Date.
2. Maintenance and Support Fees. Your year 1 maintenance and support fees for the Tyler Software are listed in the Investment Summary, and your payment obligations are set forth in the Invoicing and Payment Policy. We reserve the right to suspend maintenance and support services if you fail to pay undisputed maintenance and support fees within thirty (30) days of our written notice. We will reinstate maintenance and support services only if you pay all past due maintenance and support fees, including all fees for the periods during which services were suspended.
3. Maintenance and Support Services. As long as you are not using the Help Desk as a substitute for our training services on the Tyler Software, and you timely pay your maintenance and support fees, we will, consistent with our then-current Support Call Process:
 - 3.1 perform our maintenance and support obligations in a professional, good, and workmanlike manner, consistent with industry standards, to resolve Defects in the Tyler Software (subject to any applicable release life cycle policy); provided, however, that if you modify the Tyler Software without our consent, our obligation to provide maintenance and support services on and warrant the Tyler Software will be void;
 - 3.2 provide support during our established support hours;
 - 3.3 maintain personnel that are sufficiently trained to be familiar with the Tyler Software and Third Party Software, if any, in order to provide maintenance and support services;
 - 3.5 provide non-Defect resolution support of prior releases of the Tyler Software in accordance with any applicable release life cycle policy.

4. Client Responsibilities. We will use all reasonable efforts to perform any maintenance and support services remotely. Currently, we use a third-party secure unattended connectivity tool called Bomgar, as well as GotoAssist by Citrix. Therefore, you agree to maintain a high-speed internet connection capable of connecting us to your PCs and server(s). You agree to provide us with a login account and local administrative privileges as we may reasonably require to perform remote services. We will, at our option, use the secure connection to assist with proper diagnosis and resolution, subject to any reasonably applicable security protocols. If we cannot resolve a support issue remotely, we may be required to provide onsite services. In such event, we will be responsible for our travel expenses, unless it is determined that the reason onsite support was required was a reason outside our control. Either way, you agree to provide us with full and free access to the Tyler Software, working space, adequate facilities within a reasonable distance from the equipment, and use of machines, attachments, features, or other equipment reasonably necessary for us to provide the maintenance and support services, all at no charge to us. We strongly recommend that you also maintain a VPN for backup connectivity purposes.
5. Hardware and Other Systems. If you are a self-hosted customer and, in the process of diagnosing a software support issue, it is discovered that one of your peripheral systems or other software is the cause of the issue, we will notify you so that you may contact the support agency for that peripheral system. We cannot support or maintain Third Party Products except as expressly set forth in the Agreement.

In order for us to provide the highest level of software support, you bear the following responsibility related to hardware and software:

- (a) All infrastructure executing Tyler Software shall be managed by you;
 - (b) You will maintain support contracts for all non-Tyler software associated with Tyler Software (including operating systems and database management systems, but excluding Third-Party Software, if any); and
 - (c) You will perform daily database backups and verify that those backups are successful.
6. Other Excluded Services. Maintenance and support fees do not include fees for the following services: (a) initial installation or implementation of the Tyler Software; (b) onsite maintenance and support (unless Tyler cannot remotely correct a Defect in the Tyler Software, as set forth above); (c) application design; (d) other consulting services; (e) maintenance and support of an operating system or hardware, unless you are a hosted customer; (f) support outside our normal business hours as listed in our then-current Support Call Process; or (g) installation, training services, or third party product costs related to a new release. Requested maintenance and support services such as those outlined in this section will be billed to you on a time and materials basis at our then current rates. You must request those services with at least one (1) week's advance notice.
7. Current Support Call Process. Our current Support Call Process for the Tyler Software is attached to this Exhibit C as Schedule 1.
8. Support of Migration Modules. Upon the first anniversary of the Effective Date and Client's timely payment of annual maintenance and support fees for Tyler Evergreen Modules, Client is entitled to receive, at no additional charge, maintenance and support for the Migration Modules until Tyler makes the Tyler Evergreen Modules available for use in live production.



Exhibit C Schedule 1 Support Call Process

Support Channels

Tyler Technologies, Inc. provides the following channels of software support for authorized users*:

- (1) On-line submission (portal) – for less urgent and functionality-based questions, users may create support incidents through the Tyler Customer Portal available at the Tyler Technologies website. A built-in Answer Panel provides users with resolutions to most “how-to” and configuration-based questions through a simplified search interface with machine learning, potentially eliminating the need to submit the support case.
- (2) Email – for less urgent situations, users may submit emails directly to the software support group.
- (3) Telephone – for urgent or complex questions, users receive toll-free, telephone software support.

** Channel availability may be limited for certain applications.*

Support Resources

A number of additional resources are available to provide a comprehensive and complete support experience:

- (1) Tyler Website – www.tyler tech.com – for accessing client tools, documentation, and other information including support contact information.
- (2) Tyler Search -a knowledge based search engine that lets you search multiple sources simultaneously to find the answers you need, 24x7.
- (3) Tyler Community –provides a venue for all Tyler clients with current maintenance agreements to collaborate with one another, share best practices and resources, and access documentation.

Support Availability

Tyler Technologies support is available during the local business hours of 8 AM to 5 PM (Monday – Friday) across four US time zones (Pacific, Mountain, Central and Eastern). Tyler’s holiday schedule is outlined below. There will be no support coverage on these days.

New Year’s Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day
Labor Day	

For support teams that provide after-hours service, we will provide you with procedures for contacting



support staff after normal business hours for reporting Priority Level 1 Defects only. Upon receipt of such a Defect notification, we will use commercially reasonable efforts to meet the resolution targets set forth below.

We will also make commercially reasonable efforts to be available for one pre-scheduled Saturday of each month to assist your IT staff with applying patches and release upgrades, as well as consulting with them on server maintenance and configuration of the Tyler Software environment.

Incident Handling

Incident Tracking

Every support incident is logged into Tyler's Customer Relationship Management System and given a unique case number. This system tracks the history of each incident. The case number is used to track and reference open issues when clients contact support. Clients may track incidents, using the case number, through Tyler's Customer Portal or by calling software support directly.

Incident Priority

Each incident is assigned a priority level, which corresponds to the Client's needs. Tyler and the Client will reasonably set the priority of the incident per the chart below. This chart is not intended to address every type of support incident, and certain "characteristics" may or may not apply depending on whether the Tyler software has been deployed on customer infrastructure or the Tyler cloud. The goal is to help guide the Client towards clearly understanding and communicating the importance of the issue and to describe generally expected response and resolution targets in the production environment only.

References to a "confirmed support incident" mean that Tyler and the Client have successfully validated the reported Defect/support incident.

Priority Level	Characteristics of Support Incident	Resolution Targets*
1 Critical	Support incident that causes (a) complete application failure or application unavailability; (b) application failure or unavailability in one or more of the Client's remote location; or (c) systemic loss of multiple essential system functions.	Tyler shall provide an initial response to Priority Level 1 incidents within one (1) business hour of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within one (1) business day. For non-hosted customers, Tyler's responsibility for lost or corrupted data is limited to assisting the Client in restoring its last available database.

Priority Level	Characteristics of Support Incident	Resolution Targets*
2 High	Support incident that causes (a) repeated, consistent failure of essential functionality affecting more than one user or (b) loss or corruption of data.	Tyler shall provide an initial response to Priority Level 2 incidents within four (4) business hours of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within ten (10) business days. For non-hosted customers, Tyler's responsibility for loss or corrupted data is limited to assisting the Client in restoring its last available database.
3 Medium	Priority Level 1 incident with an existing circumvention procedure, or a Priority Level 2 incident that affects only one user or for which there is an existing circumvention procedure.	Tyler shall provide an initial response to Priority Level 3 incidents within one (1) business day of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents without the need for a circumvention procedure with the next published maintenance update or service pack, which shall occur at least quarterly. For non-hosted customers, Tyler's responsibility for lost or corrupted data is limited to assisting the Client in restoring its last available database.
4 Non-critical	Support incident that causes failure of non-essential functionality or a cosmetic or other issue that does not qualify as any other Priority Level.	Tyler shall provide an initial response to Priority Level 4 incidents within two (2) business days of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents, as well as cosmetic issues, with a future version release.

**Response and Resolution Targets may differ by product or business need*

Incident Escalation

If Tyler is unable to resolve any priority level 1 or 2 defect as listed above or the priority of an issue has elevated since initiation, you may escalate the incident to the appropriate resource, as outlined by each product support team. The corresponding resource will meet with you and any Tyler staff to establish a mutually agreeable plan for addressing the defect.

Remote Support Tool

Some support calls may require further analysis of the Client's database, processes or setup to diagnose a problem or to assist with a question. Tyler will, at its discretion, use an industry-standard remote support tool. Tyler's support team must have the ability to quickly connect to the Client's system and view the site's setup, diagnose problems, or assist with screen navigation. More information about the remote support tool Tyler uses is available upon request.



Exhibit D
Third Party Terms

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Attachment: Morgan Hill CA Munis LSA 101421 (3199 : Approve Agreement with Tyler Technologies for a New ERP)



Exhibit D
Schedule 1
Hyperlinked Terms

Pattern Stream Terms. Your use of Pattern Stream software and services is subject to the terms found here: <https://www.tylertech.com/terms/finite-matters-ltd-consolidated-terms>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using Pattern Stream software or services, you agree that you have read, understood, and agree to such terms.

Quatred Terms. Your use of Quatred solutions is subject to the End User License Agreement terms found here: <https://www.quatred.com/eula>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using Quatred solutions provided to you by Tyler, you agree that you have read, understood, and agree to such terms.

ThinPrint Terms. Your use of Tyler Forms software and forms is subject to the End User License Agreement terms for ThinPrint Engine, ThinPrint License Server, and Connected Gateway found here: <https://www.thinprint.com/en/legal-notes/eula/>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using Tyler Forms software or forms, you agree that you have read, understood, and agree to such terms.

Twilio Acceptable Use Policy. Your use of the Tyler solutions listed below includes functionality provided by a Third Party Developer, Twilio. Your rights, and the rights of any of your end users, to use said functionality are subject to the terms of the Twilio Acceptable Use Policy, available at <http://www.twilio.com/legal/aup>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using any such Tyler solution, you certify that you have reviewed, understand and agree to said terms. Tyler hereby disclaims any and all liability related to your or your end user's failure to abide by the terms of the Twilio Acceptable Use Policy. Any liability for failure to abide by said terms shall rest solely with the person or entity whose conduct violated said terms.

- Electronic Warrants
- Modria
- Odyssey Notifications Add On (text notifications)
- ReadySub
- Tyler ACFR
- Tyler Notify
- Tyler Jury Manager
- Tyler Supervision
- Virtual Court



**Exhibit D
Schedule 2
DocOrigin Terms**

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Last Updated: July 22, 2017



Exhibit E
Statement of Work

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Attachment: Morgan Hill CA Munis LSA 101421 (3199 : Approve Agreement with Tyler Technologies for a New ERP)

Morgan Hill, CA

SOW from Tyler Technologies, Inc.

9/24/2021

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Table of Contents

PART 1: EXECUTIVE SUMMARY.....	1
1. Project Overview.....	1
1.1 Introduction.....	1
1.2 Project Goals.....	1
1.3 Methodology	1
PART 2: PROJECT FOUNDATION.....	3
2. Project Governance.....	3
3. Project Scope Control.....	4
3.1 Managing Scope and Project Change.....	4
3.2 Change Control	4
3.3 Change Request Management	4
4. Acceptance Process.....	6
5. Roles and Responsibilities.....	6
5.1 Tyler Roles & Responsibilities	6
5.1.1 Tyler Executive Sponsor.....	6
5.1.2 Tyler Implementation Manager	7
5.1.3 Tyler Project Manager	7
5.1.4 Tyler Implementation Consultant	8
5.1.5 Tyler Sales	8
5.1.6 Tyler Technical Services	8
5.1.7 Tyler Systems Management Services	9
5.2 City Roles & Responsibilities.....	9
5.2.1 City Executive Sponsor.....	9
5.2.2 City Steering Committee.....	9
5.2.3 City Project Manager	10
5.2.4 City Functional Leads.....	11
5.2.5 City Power Users	12
5.2.6 City End Users	12
5.2.7 City Technical Lead	12
5.2.8 City Change Management Lead	13
PART 3: PROJECT PLAN.....	14
6. Project Stages	14
6.1 Initiate and Plan	15
6.1.1 Initial Coordination.....	15
6.1.2 Project/Phase Planning.....	16

6.1.3	Infrastructure Planning.....	17
6.1.4	Stakeholder Meeting.....	18
6.1.5	Intentionally left blank.....	19
6.1.6	Control Point 1: Initiate & Plan Stage Acceptance	19
6.2	Assess & Define.....	19
6.2.1	Solution Orientation	19
6.2.2	Current & Future State Analysis.....	20
6.2.3	Conversion Assessment.....	21
6.2.4	Intentionally left blank.....	22
6.2.5	Intentionally left blank.....	22
6.2.6	Control Point 2: Assess & Define Stage Acceptance	22
6.3	Prepare Solution	23
6.3.1	Initial System Deployment.....	23
6.3.2	Configuration	24
6.3.3	Process Refinement.....	25
6.3.4	Conversion Delivery.....	27
6.3.5	Intentionally left blank.....	28
6.3.6	Intentionally left blank.....	28
6.3.7	Control Point 3: Prepare Solution Stage Acceptance	28
6.4	Production Readiness.....	29
6.4.1	Solution Validation	29
6.4.2	Go-Live Readiness	30
6.4.3	End User Training	31
6.4.4	Control Point 4: Production Readiness Stage Acceptance.....	32
6.5	Production	32
6.5.1	Go-Live.....	32
6.5.2	Transition to Client Services.....	34
6.5.3	Post Go-Live Activities	35
6.5.4	Control Point 5: Production Stage Acceptance	35
6.6	Close.....	36
6.6.1	Phase Closeout.....	36
6.6.2	Project Closeout	37
6.6.3	Control Point 6: Close Stage Acceptance	38
7.	General Assumptions	38
7.1	Project	38
7.2	Organizational Change Management.....	39
7.3	Resources and Scheduling	39
7.4	Data	39
7.5	Facilities.....	40
8.	Glossary	41
PART 4:	APPENDICES.....	44
9.	Conversion	44

9.1	Munis Conversion Summary.....	44
9.1.1	Accounting COA.....	44
9.1.2	Accounting - Actuals	44
9.1.3	Accounting - Budgets.....	44
9.1.4	Accounts Payable Master	44
9.1.5	Accounts Payable - Checks.....	44
9.1.6	Accounts Payable - Invoices.....	44
9.1.7	Capital Assets Master	44
9.1.8	General Billing CID.....	45
9.1.9	General Billing – Recurring Invoices	45
9.1.10	General Billing – Bills	45
9.1.11	Project Grant Accounting.....	45
9.1.12	Project Grant Accounting - Actuals	45
9.1.13	Project Grant Accounting – Budget	45
9.1.14	Purchase Orders	45
9.1.15	Payroll	45
9.1.16	Payroll - Deductions.....	45
9.1.17	Payroll – Accrual Balances	46
9.1.18	Payroll – Accumulators	46
9.1.19	Payroll – Check History	46
9.1.20	Payroll – Earning/Deduction Hist.	46
9.1.21	Payroll – PM Action History	46
9.1.22	Payroll – Position Control	46
9.1.23	Utility Billing	46
9.1.24	Utility Billing –Services.....	46
9.1.25	Utility Billing –Assessments	46
9.1.26	Utility Billing –Consumption History	47
9.1.27	Utility Billing –Balance Forward AR	47
9.1.28	Utility Billing – Work Orders	47
9.1.29	Utility Billing –Backflow	47
9.1.30	Utility Billing –Budget Billing.....	47
10.	Additional Appendices	48
10.1	Intentionally left blank.	48
11.	Project Timeline	48
11.1	ERP Project Timeline	48
11.2	Intentionally left blank.	48

Part 1: Executive Summary

1. Project Overview

1.1 Introduction

Tyler Technologies (“Tyler”) is the largest and most established provider of integrated software and technology services focused solely on the public sector. Tyler’s end-to-end solutions empower public sector entities including local, state, provincial and federal government, to operate more efficiently and connect more transparently with their constituents and with each other. By connecting data and processes across disparate systems, Tyler’s solutions transform how clients gain actionable insights that solve problems in their communities.

1.2 Project Goals

This Statement of Work (“SOW”) documents the methodology, implementation stages, activities, and roles and responsibilities, and project scope listed in the Investment Summary of the Agreement between Tyler and Client (collectively the “Project”).

The overall goals of the project are to:

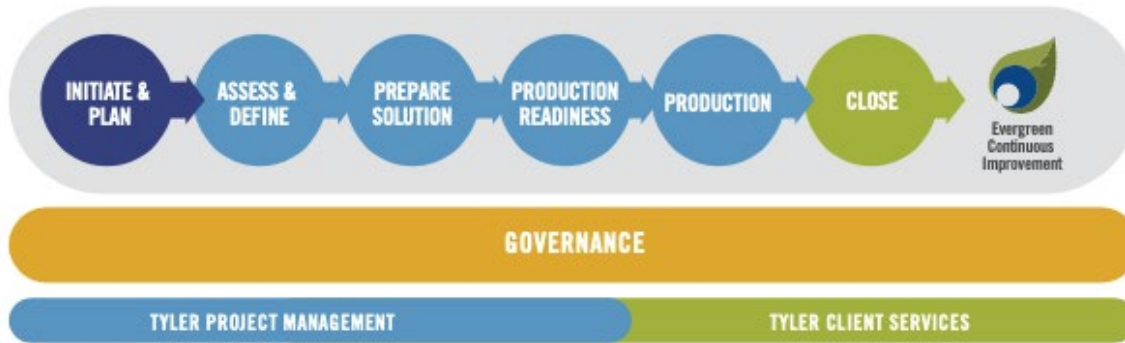
- Successfully implement the contracted scope on time and on budget
- Increase operational efficiencies and empower users to be more productive
- Improve accessibility and responsiveness to external and internal customer needs
- Overcome current challenges and meet future goals

1.3 Methodology

This is accomplished by City and Tyler working as a partnership and Tyler utilizing its depth of implementation experience. While each Project is unique, all will follow Tyler’s six-stage methodology. Each of the six stages is comprised of multiple work packages, and each work package includes a narrative description, objectives, tasks, inputs, outputs/deliverables, assumptions, and a responsibility matrix.

Tailored specifically for Tyler’s public sector clients, the project methodology contains Stage Acceptance Control Points throughout each Phase to ensure adherence to scope, budget, timeline controls, effective communications, and quality standards. Clearly defined, the project methodology repeats consistently across Phases, and is scaled to meet the Client’s complexity and organizational needs.

Tyler's Six Stage Project Methodology



The methodology adapts to both single-phase and multiple-phase projects.

Iterative Project Model



The delivery approach is systematic, which reduces variability and mitigates risks to ensure Project success. As illustrated, some stages, along with work packages and tasks, are intended to be overlapping by nature to efficiently and effectively complete the Project.

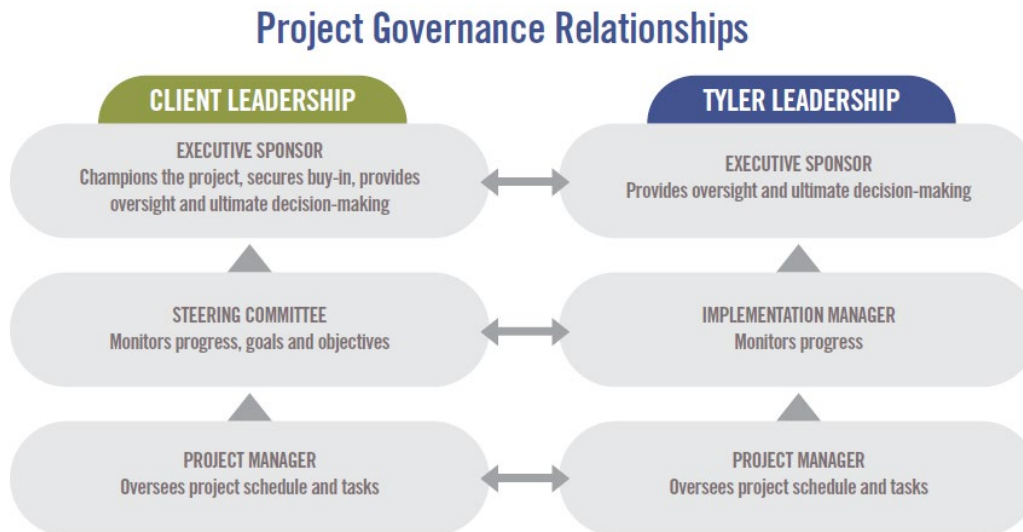
Part 2: Project Foundation

2. Project Governance

Project governance is the management framework within which Project decisions are made. The role of Project governance is to provide a decision-making approach that is logical, robust, and repeatable. This allows organizations to have a structured approach for conducting its daily business in addition to project related activities.

This section outlines the resources required to adequately meet the business needs, objectives, and priorities for the Project, communicate the goals to other Project participants, and provide support and guidance to accomplish these goals. Project governance defines the structure for escalation of issues and risks, Change Control review and authority, and Organizational Change Management activities. Throughout the Statement of Work Tyler has provided RACI Matrices for activities to be completed throughout the implementation which will further outline responsibilities of different roles in each stage. Further refinement of the governance structure, related processes, and specific roles and responsibilities occurs during the Initiate & Plan Stage.

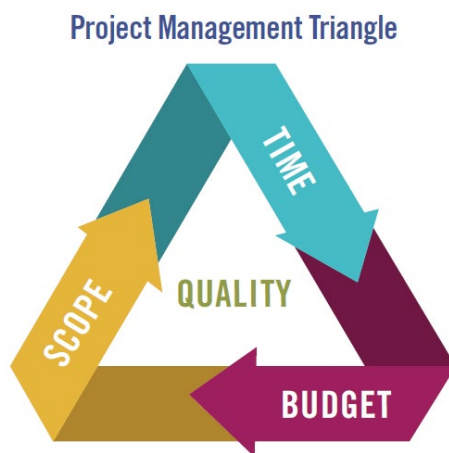
The chart below illustrates an overall team perspective where Tyler and City collaborate to resolve Project challenges according to defined escalation paths. In the event that project managers do not possess authority to determine a solution, resolve an issue, or mitigate a risk, Tyler implementation management and City Steering Committee become the escalation points to triage responses prior to escalation to City and Tyler executive sponsors. As part of the escalation process, each Project governance tier presents recommendations and supporting information to facilitate knowledge transfer and issue resolution. City and Tyler executive sponsors serve as the final escalation point.



3. Project Scope Control

3.1 Managing Scope and Project Change

Project Management governance principles contend that there are three connected constraints on a Project: budget, timeline, and scope. These constraints, known as the ‘triple constraints’ or Project management triangle, define budget in terms of financial cost, labor costs, and other resource costs. Scope is defined as the work performed to deliver a product, service or result with the specified features and functions, while time is simply defined as the schedule. The Triple Constraint theory states that if you change one side of the triangle, the other two sides must be correspondingly adjusted. For example, if the scope of the Project is increased, cost and time to complete will also need to increase. The Project and executive teams will need to remain cognizant of these constraints when making impactful decisions to the Project. A simple illustration of this triangle is included here, showing the connection of each item and their relational impact to the overall Scope.



A pillar of any successful project is the ability to properly manage scope while allowing the appropriate level of flexibility to incorporate approved changes. Scope and changes within the project will be managed using the change control process outlined in the following section.

It may become necessary to change the scope of this Project due to unforeseeable circumstances (e.g., new constraints or opportunities are discovered). This Project is being undertaken with the understanding that Project scope, schedule, and/or cost may need to change in order to produce optimal results for stakeholders. Changes to contractual requirements will follow the change control process specified in the final contract, and as described below.

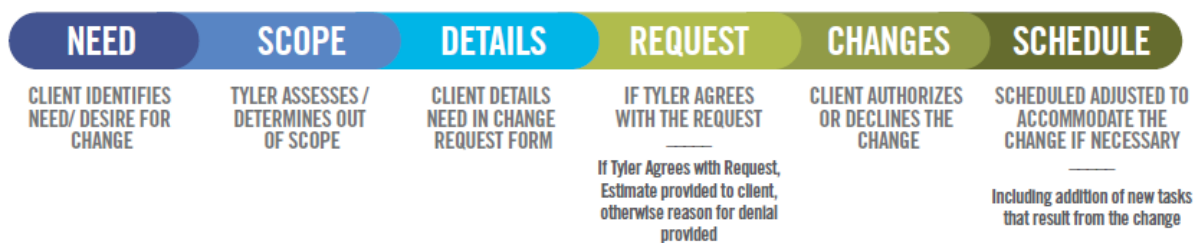
3.3 Change Request Management

Should the need for a change to Project scope, schedule, and/or cost be identified during the Project, the change will be brought to the attention of the Steering Committee and an assessment of the change will occur. While such changes may result in additional costs and possible delays relative to the schedule, some changes may result in less cost to City; for example, City may decide it no longer needs a deliverable originally defined in the Project. The Change Request will include the following information:

- The nature of the change.
- A good faith estimate of the additional cost or associated savings to City, if any.
- The timetable for implementing the change.
- The effect on and/or risk to the schedule, resource needs or resource responsibilities.

City will use its good faith efforts to either approve or disapprove any Change Request within ten (10) Business Days (or other period as mutually agreeable between Tyler and City). Any changes to the Project scope, budget, or timeline must be documented and approved in writing using a Change Request form. These changes constitute a formal amendment to the Statement of Work and will supersede any conflicting term in the Statement of Work.

Change Request Process



4. Acceptance Process

The implementation of a Project involves many decisions to be made throughout its lifecycle. Decisions will vary from higher level strategy decisions to smaller, detailed Project level decisions. It is critical to the success of the Project that each City office or department designates specific individuals for making decisions on behalf of their offices or departments.

Both Tyler and the City will identify representative project managers. These individuals will represent the interests of all stakeholders and serve as the primary contacts between the two organizations.

The coordination of gaining client feedback and approval on Project deliverables will be critical to the success of the Project. The City project manager will strive to gain deliverable and decision approvals from all authorized City representatives. Given that the designated decision-maker for each department may not always be available, there must be a designated proxy for each decision point in the Project. Assignment of each proxy will be the responsibility of the leadership from each City department. The proxies will be named individuals that have the authorization to make decisions on behalf of their department.

The following process will be used for accepting Deliverables and Control Points:

- The City shall have five (5) business days from the date of delivery, or as otherwise mutually agreed upon by the parties in writing, to accept each Deliverable or Control Point. If the City does not provide acceptance or acknowledgement within five (5) business days, or the otherwise agreed upon timeframe, not to be unreasonably withheld, Tyler deems the Deliverable or Control Point as accepted.
- If the City does not agree the particular Deliverable or Control Point meets requirements, the City shall notify Tyler project manager(s), in writing, with reasoning within five (5) business days, or the otherwise agreed-upon timeframe, not to be unreasonably withheld, of receipt of the Deliverable.
- Tyler shall address any deficiencies and redeliver the Deliverable or Control Point. The City shall then have two (2) business days from receipt of the redelivered Deliverable or Control Point to accept or again submit written notification of reasons for rejecting the milestone. If the City does not provide acceptance within two (2) business days, or the otherwise agreed upon timeframe, not to be unreasonably withheld, Tyler deems the Deliverable or Control Point as accepted.

5. Roles and Responsibilities

The following defines the roles and responsibilities of each Project resource for City and Tyler. Roles and responsibilities may not follow the organizational chart or position descriptions at City, but are roles defined within the Project. It is common for individual resources on both the Tyler and client project teams to fill multiple roles. Similarly, it is common for some roles to be filled by multiple people.

5.1 Tyler Roles & Responsibilities

Tyler assigns a project manager prior to the start of each Phase of the Project (some Projects may only be one Phase in duration). Additional Tyler resources are assigned as the schedule develops and as needs arise.

5.1.1 Tyler Executive Sponsor

Tyler executive management has indirect involvement with the Project and is part of the Tyler escalation process. This team member offers additional support to the Project team and collaborates with other Tyler

department managers as needed in order to escalate and facilitate implementation Project tasks and decisions.

- Provides clear direction for Tyler staff on executing on the Project Deliverables to align with satisfying City's overall organizational strategy.
- Authorizes required Project resources.
- Resolves all decisions and/or issues not resolved at the implementation management level as part of the escalation process.
- Acts as the counterpart to City's executive sponsor.

5.1.2 Tyler Implementation Manager

- Tyler implementation management has indirect involvement with the Project and is part of the Tyler escalation process. The Tyler project managers consult implementation management on issues and outstanding decisions critical to the Project. Implementation management works toward a solution with the Tyler Project Manager or with City management as appropriate. Tyler executive management is the escalation point for any issues not resolved at this level.
- Assigns Tyler Project personnel.
- Provides support for the Project team.
- Provides management support for the Project to ensure it is staffed appropriately and staff have necessary resources.
- Monitors Project progress including progress towards agreed upon goals and objectives.

5.1.3 Tyler Project Manager

- The Tyler project manager(s) provides oversight of the Project, coordination of Tyler resources between departments, management of the Project budget and schedule, effective risk and issue management, and is the primary point of contact for all Project related items. As requested by the client, the Tyler Project Manager provides regular updates to the client Steering Committee and other Tyler governance members. Tyler Project Manager's role includes responsibilities in the following areas:

5.1.3.1 Contract Management

- Validates contract compliance throughout the Project.
- Ensures Deliverables meet contract requirements.
- Acts as primary point of contact for all contract and invoicing questions.
- Prepares and presents contract milestone sign-offs for acceptance by City project manager(s).
- Coordinates Change Requests, if needed, to ensure proper Scope and budgetary compliance.

5.1.3.2 Planning

- Delivers project planning documents.
- Defines Project tasks and resource requirements.
- Develops initial Project schedule and Project Management Plan.
- Collaborates with City project manager(s) to plan and schedule Project timelines to achieve on-time implementation.

5.1.3.3 Implementation Management

- Tightly manages Scope and budget of Project to ensure Scope changes and budget planned versus actual are transparent and handled effectively and efficiently.
- Establishes and manages a schedule and Tyler resources that properly support the Project Schedule and are also in balance with Scope/budget.
- Establishes risk/issue tracking/reporting process between City and Tyler and takes all necessary steps to proactively mitigate these items or communicate with transparency to City any items that may impact the outcomes of the Project.
- Collaborates with City's project manager(s) to establish key business drivers and success indicators that will help to govern Project activities and key decisions to ensure a quality outcome of the project.
- Collaborates with City's project manager(s) to set a routine communication plan that will aide all Project team members, of both City and Tyler, in understanding the goals, objectives, current status, and health of the Project.

5.1.3.4 Resource Management

- Acts as liaison between Project team and Tyler manager(s).
- Identifies and coordinates all Tyler resources across all applications, Phases, and activities including development, forms, installation, reports, implementation, and billing.
- Provides direction and support to Project team.
- Manages the appropriate assignment and timely completion of tasks as defined in the Project Schedule, task list, and Go-Live Checklist.
- Assesses team performance and adjusts as necessary.
- Consulted on in Scope 3rd party providers to align activities with ongoing Project tasks.

5.1.4 Tyler Implementation Consultant

- Completes tasks as assigned by the Tyler project manager(s).
- Documents activities for services performed by Tyler.
- Guides City through software validation process following configuration.
- Assists during Go-Live process and provides support until City transitions to Client Services.
- Facilitates training sessions and discussions with City and Tyler staff to ensure adequate discussion of the appropriate agenda topics during the allotted time.
- May provide conversion review and error resolution assistance.

5.1.5 Tyler Sales

- Supports Sales to Implementation knowledge transfer during Initiate & Plan.
- Provides historical information, as needed, throughout implementation.
- Participates in pricing activities if additional licensing and/or services are needed.

5.1.6 Tyler Technical Services

- Maintains Tyler infrastructure requirements and design document(s).
- Involved in system infrastructure planning/review(s).
- Provides first installation of licensed software with initial database on servers.
- Supports and assists the project team with technical/environmental issues/needs.
- Deploys Tyler products.

5.1.7 Tyler Systems Management Services

- Manages incoming City issues via phone, email, online customer incident portal, and from Client Services.
- Provides system support including remote support for City systems, operating systems, peripheral hardware, and SQL assistance for the systems and platform directly attributable to the Tyler applications.
- Tracks issues for timely and effective resolution.
- Determines root cause and provides solutions or direction/escalation to Tyler Development.
- Consults on pre-sales regarding system requirements.
- Troubleshoots server and workstation issues.
- Migrates Tyler applications and databases to new hardware.
- Maintains systems and provide database and server administration.
- Provides proactive monitoring of Tyler application and/or database server(s).
- Performs server transfers, database analysis, file system cleanup, and backup verification.
- Assists with database refreshes, LDAP synchronization, and loading releases.

5.2 City Roles & Responsibilities

City resources will be assigned prior to the start of each Phase of the Project. One person may be assigned to multiple Project roles.

5.2.1 City Executive Sponsor

The City executive sponsor provides support to the Project by providing strategic direction and communicating key issues about the Project and its overall importance to the organization. When called upon, the executive sponsor also acts as the final authority on all escalated Project issues. The executive sponsor engages in the Project, as needed, in order to provide necessary support, oversight, guidance, and escalation, but does not participate in day-to-day Project activities. The executive sponsor empowers the City steering committee, project manager(s), and functional leads to make critical business decisions for City.

- Champions the project at the executive level to secure buy-in.
- Authorizes required project resources.
- Actively participates in organizational change communications.

5.2.2 City Steering Committee

The City steering committee understands and supports the cultural change necessary for the Project and fosters an appreciation for the Project's value throughout the organization. The steering committee oversees the City project manager and Project as a whole through participation in regular internal meetings. The City steering committee remains updated on all Project progress, Project decisions, and achievement of Project milestones. The City steering committee also serves as primary level of issue resolution for the Project.

- Works to resolve all decisions and/or issues not resolved at the project manager level as part of the escalation process.
- Attends all scheduled steering committee meetings.
- Provides support for the project team.
- Assists with communicating key project messages throughout the organization.
- Prioritizes the project within the organization.
- Ensures the project staffed appropriately and that staff have necessary resources.

- Monitors project progress including progress towards agreed upon goals and objectives.
- Has the authority to approve or deny changes impacting the following areas:
 - Cost
 - Scope
 - Schedule
 - Project Goals
 - City Policies
 - Needs of other client projects

5.2.3 City Project Manager

City shall assign project manager(s) prior to the start of this project with overall responsibility and authority to make decisions related to Project Scope, scheduling, and task assignment. City Project Manager should communicate decisions and commitments to the Tyler project manager(s) in a timely and efficient manner. When City project manager(s) do not have the knowledge or authority to make decisions, he or she engages the necessary resources to participate in discussions and make decisions in a timely fashion to avoid Project delays. The client project manager(s) are responsible for reporting to client steering committee and determining appropriate escalation points.

5.2.3.1 Contract Management

- Validates contract compliance throughout the project.
- Ensures that invoicing and Deliverables meet contract requirements.
- Acts as primary point of contact for all contract and invoicing questions. Collaborates on and approves Change Requests, if needed, to ensure proper scope and budgetary compliance.

5.2.3.2 Planning

- Reviews and accepts project planning documents.
- Defines project tasks and resource requirements for City project team.
- Collaborates in the development and approval of the project schedule.
- Collaborates with Tyler project manager(s) to plan and schedule project timelines to achieve on-time implementation.

5.2.3.3 Implementation Management

- Tightly manages project budget and scope.
- Collaborates with Tyler project manager(s) to establish a process and approval matrix to ensure that scope changes and budget (planned versus actual) are transparent and handled effectively and efficiently.
- Collaborates with Tyler project manager to establish and manage a schedule and resource plan that properly supports the project schedule as a whole and is also in balance with scope and budget.
- Collaborates with Tyler project manager(s) to establish risk and issue tracking and reporting process between City and Tyler and takes all necessary steps to proactively mitigate these items or communicate with transparency to Tyler any items that may impact the outcomes of the project.
- Collaborates with Tyler project manager(s) to establish key business drivers and success indicators that will help to govern project activities and key decisions to ensure a quality outcome of the project.
- Routinely communicates with both City staff and Tyler, aiding in the understanding of goals, objectives, current status, and health of the project by all team members.

- Manages the requirements gathering process and ensure timely and quality business requirements are being provided to Tyler.

5.2.3.4 Resource Management

- Acts as liaison between project team and stakeholders.
- Identifies and coordinates all City resources across all modules, phases, and activities including data conversions, forms design, hardware and software installation, reports building, and satisfying invoices.
- Provides direction and support to project team.
- Builds partnerships among the various stakeholders, negotiating authority to move the project forward.
- Manages the appropriate assignment and timely completion of tasks as defined.
- Assesses team performance and takes corrective action, if needed.
- Provides guidance to City technical teams to ensure appropriate response and collaboration with Tyler Technical Support Teams in order to ensure timely response and appropriate resolution.
- Owns the relationship with in-Scope 3rd party providers and aligns activities with ongoing project tasks.
- Ensures that users have appropriate access to Tyler project toolsets as required.
- Conducts training on proper use of toolsets.
- Validates completion of required assignments using toolsets.

5.2.4 City Functional Leads

- Makes business process change decisions under time sensitive conditions.
- Communicates existing business processes and procedures to Tyler consultants.
- Assists in identifying business process changes that may require escalation.
- Contributes business process expertise for Current & Future State Analysis.
- Identifies and includes additional subject matter experts to participate in Current & Future State Analysis.
- Validates that necessary skills have been retained by end users.
- Provides End Users with dedicated time to complete required homework tasks.
- Acts as an ambassador/champion of change for the new process and provide business process change support.
- Identifies and communicates any additional training needs or scheduling conflicts to City project manager.
- Actively participates in all aspects of the implementation, including, but not limited to, the following key activities:
 - Task completion
 - Stakeholder Meeting
 - Project Management Plan development
 - Schedule development
 - Maintenance and monitoring of risk register
 - Escalation of issues
 - Communication with Tyler project team
 - Coordination of City resources
 - Attendance at scheduled sessions
 - Change management activities
 - Modification specification, demonstrations, testing and approval assistance
 - Data analysis assistance

- Decentralized end user training
- Process testing
- Solution Validation

5.2.5 City Power Users

- Participate in project activities as required by the project team and project manager(s).
- Provide subject matter expertise on City business processes and requirements.
- Act as subject matter experts and attend Current & Future State Analysis sessions as needed.
- Attend all scheduled training sessions.
- Participate in all required post-training processes as needed throughout project.
- Test all application configuration to ensure it satisfies business process requirements.
- Become application experts.
- Participate in Solution Validation.
- Adopt and support changed procedures.
- Complete all deliverables by the due dates defined in the project schedule.
- Demonstrate competency with Tyler products processing prior to Go-live.
- Provide knowledge transfer to City staff during and after implementation.
- Participate in conversion review and validation.

5.2.6 City End Users

- Attend all scheduled training sessions.
- Become proficient in application functions related to job duties.
- Adopt and utilize changed procedures.
- Complete all deliverables by the due dates defined in the project schedule.
- Utilize software to perform job functions at and beyond Go-live.

5.2.7 City Technical Lead

- Coordinates updates and releases with Tyler as needed.
- Coordinates the copying of source databases to training/testing databases as needed for training days.
- Coordinates and adds new users, printers and other peripherals as needed.
- Validates that all users understand log-on process and have necessary permission for all training sessions.
- Coordinates interface development for City third party interfaces.
- Develops or assists in creating reports as needed.
- Ensures on-site system meets specifications provided by Tyler.
- Assists with software installation as needed.
- Extracts and transmits conversion data and control reports from City's legacy system per the conversion schedule set forth in the project schedule.
- Client-hosted:
 - Involved in infrastructure planning/review
 - Purchases and sets up client-hosted servers

5.2.7.1 City Upgrade Coordination

- Becomes familiar with the software upgrade process and required steps.
- Becomes familiar with Tyler's releases and updates.

- Utilizes Tyler resources to stay abreast of the latest Tyler releases and updates, as well as the latest helpful tools to manage City's software upgrade process.
- Assists with the software upgrade process during implementation.
- Manages software upgrade activities post-implementation.
- Manages software upgrade plan activities.
- Coordinates software upgrade plan activities with City and Tyler resources.
- Communicates changes affecting users and department stakeholders.
- Obtains department stakeholder acceptance to upgrade production environment.

5.2.8 City Change Management Lead

- Validates that users receive timely and thorough communication regarding process changes.
- Provides coaching to supervisors to prepare them to support users through the project changes.
- Identifies the impact areas resulting from project activities and develops a plan to address them proactively.
- Identifies areas of resistance and develops a plan to reinforce the change.
- Monitors post-production performance and new process adherence.



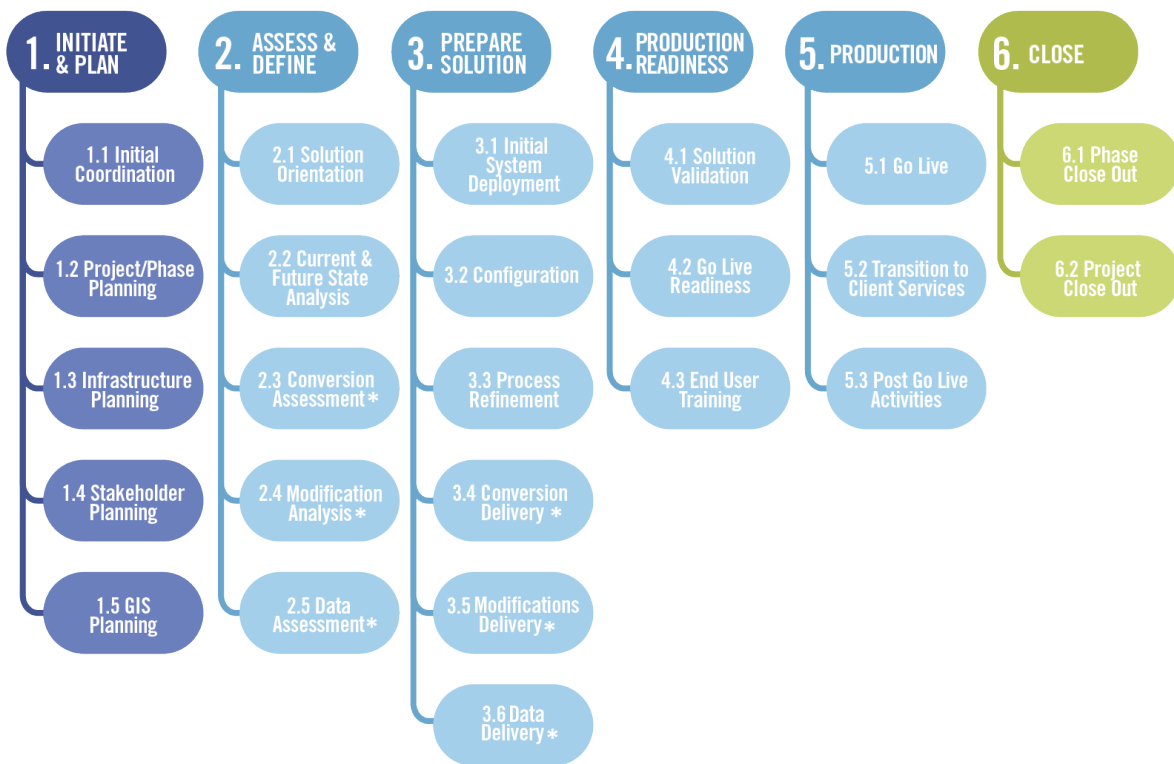
Part 3: Project Plan

6. Project Stages

Work Breakdown Structure

The Work Breakdown Structure (WBS) is a hierarchical representation of a Project or Phase broken down into smaller, more manageable components. The top-level components are called “Stages” and the second level components are called “Work Packages”. The work packages, shown below each stage, contain the high-level work to be done. The detailed Project Schedule, developed during Project/Phase Planning and finalized during subsequent stages, lists the tasks to be completed within each work package. Each stage ends with a “Control Point”, confirming the work performed during that stage of the Project has been accepted by City.

Work Breakdown Structure (WBS)



6.1 Initiate and Plan

The Initiate and Plan stage involves Project initiation, infrastructure, and planning. This stage creates a foundation for the Project by identifying and establishing sequence and timing for each Phase as well as verifying scope for the Project. This stage will be conducted at the onset of the Project, with a few unique items being repeated for the additional Phases as needed.

6.1.1 Initial Coordination

Prior to Project commencement, Tyler management assigns project manager(s). Additional Project resources will be assigned later in the Project as a Project schedule is developed. Tyler provides City with initial Project documents used to gather names of key personnel, their functional role as it pertains to the Project, as well as any blackout dates to consider for future planning. City gathers the information requested by the provided deadline ensuring preliminary planning and scheduling can be conducted moving the Project forward in a timely fashion. Internally, the Tyler Project Manager(s) coordinate with sales to ensure transfer of vital information from the sales process prior to scheduling a Project Planning Meeting with City's team. During this step, Tyler will work with City to establish the date(s) for the Project and Phase Planning session.

Objectives:

- Formally launch the project.
- Establish project governance.
- Define and communicate governance for Tyler.
- Identify client project team.

STAGE 1	Initial Coordination																
	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Tyler project team is assigned	A	R	C	I	I	I	I		I		I						
Client project team is assigned									A	I	R	I	I	I			
Provide initial project documents to City		A	R	C			C		I		I						
Gather preliminary information requested			I						A		R	C		C		C	C
Sales to implementation knowledge transfer		A	R	I	I	I	I				I						
Create Project Portal to store project artifacts and facilitate communication		A	R								I						

Inputs	Contract documents
	Statement of Work

Outputs/Deliverables	Completed initial project documents
	Project portal

Work package assumptions:

- Project activities begin after the agreement has been fully executed.

6.1.2 Project/Phase Planning

Project and Phase planning provides an opportunity to review the contract, software, data conversions and services purchased, identify applications to implement in each Phase (if applicable), and discuss implementation timeframes.

During this work package Tyler will work with City to coordinate and plan a formal Project planning meeting(s). This meeting signifies the start of the Project and should be attended by all City Project team members and the Tyler Project Manager. The meeting provides an opportunity for Tyler to introduce its implementation methodology, terminology, and Project management best practices to City's Project Team. This will also present an opportunity for project managers and Project sponsors to begin to discuss Project communication, metrics, status reporting and tools to be used to measure Project progress and manage change.

Tyler will work with the City Project Team to prepare and deliver the Project Management Plan as an output of the planning meeting. This plan will continue to evolve and grow as the Project progresses and will describe how the project will be executed, monitored, and controlled.

During project planning, Tyler will introduce the tools that will be used throughout the implementation. Tyler will familiarize the client with these tools during project planning and make them available for review and maintenance as applicable throughout the project. Some examples are Solution validation plan, issue log, and go-live checklist.

STAGE 1	Project/Phase Planning																
	Tyler							Client									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Schedule and conduct planning session(s)		A	R						I		C	C	I				

Develop Project Management Plan		A	R						I		C	C	I				
Develop initial project schedule		A	R	I	I	I	I		I	I	C	C	I	I	C		I

Inputs	Contract documents
	Statement of Work
	Guide to Starting Your Project

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Project Management Plan	Delivery of document
	Project Operational Plan	Delivery of document
	Initial Project Schedule	City provides acceptance of schedule based on resource availability, project budget, and goals.

Work package assumptions:

- City has reviewed and completed the Guide to Starting Your Project document.

6.1.3 Infrastructure Planning

Procuring required hardware and setting it up properly is a critical part of a successful implementation. This task is especially important on-premise deployment models. In an On-premise deployment, the City will be responsible for the setup of the infrastructure. Tyler will install Licensed Software on application server(s) or train City to install License Software. The City is responsible for the installation and setup of all peripheral devices.

Objectives:

- Ensure City's infrastructure meets Tyler's application requirements.
- Ensure City's infrastructure is scheduled to be in place and available for use on time.

STAGE 1	Infrastructure Planning																
	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts	Department Heads	End Users	Technical Leads
Provide Infrastructure Requirements and Design Document		A	R		C		C				I						I
Initial Infrastructure Meeting		A	R		C		C				C						C

Schedule Installation of All Licensed Software		A	R				C				I						I
Infrastructure Audit		A	R				C				I						C

Inputs	1. Initial Infrastructure Requirements and Design Document
--------	--

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	1. Completed Infrastructure Requirements and Design Document	Delivery of Document
	2. Infrastructure Audit	System Passes Audit Criteria

Work package assumptions:

- City will maintain environment (or virtual environment) for On-Premise deployments.

6.1.4 Stakeholder Meeting

Communication of the Project planning outcomes to the City Project team, executives and other key stakeholders is vital to Project success. The Stakeholder meeting is a strategic activity to inform, engage, gain commitment, and instill confidence in the City team. During the meeting, the goals and objectives of the Project will be reviewed along with detail on Project scope, implementation methodology, roles and responsibilities, Project timeline and schedule, and keys to Project success.

Objectives:

- Formally present and communicate the project activities and timeline.
- Communicate project expectations.

STAGE 1	Stakeholder Meeting																
	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
	I	A	R	I	I				I	I	C		I				
		I	C						A		R		C				
	I	A	R	I	I				I	I	C	I	I	I	I	I	I
Create Stakeholder Meeting Presentation																	
Review Stakeholder Meeting Presentation																	
Perform Stakeholder Meeting Presentation																	

Inputs	Agreement
--------	-----------

	SOW	
	Project Management Plan	
Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Stakeholder Meeting Presentation	

Work package assumptions:

- None

6.1.5 Intentionally left blank.

6.1.6 Control Point 1: Initiate & Plan Stage Acceptance

Acceptance criteria for this stage includes completion of all criteria listed below.

Note: Advancement to the Assess & Define stage is not dependent upon Tyler's receipt of this stage acceptance.

Initiate & Plan Stage Deliverables:

- Project Management Plan
- Initial Project Schedule

Initiate & Plan stage acceptance criteria:

- All stage deliverables accepted based on acceptance criteria previously defined
- Project governance defined
- Project portal made available to City
- Stakeholder meeting complete

6.2 Assess & Define

The Assess & Define stage will provide an opportunity to gather information related to current City business processes. This information will be used to identify and define business processes utilized with Tyler software. City collaborates with Tyler providing complete and accurate information to Tyler staff and assisting in analysis, understanding current workflows and business processes.

6.2.1 Solution Orientation

The Solution Orientation provides the Project stakeholders a high-level understanding of the solution functionality prior to beginning the current and future state analysis. The primary goal is to establish a foundation for upcoming conversations regarding the design and configuration of the solution.

Tyler utilizes a variety of tools for the Solution Orientation, focusing on City team knowledge transfer such as: eLearning, documentation, or walkthroughs. The City team will gain a better understanding of the major processes and focus on data flow, the connection between configuration options and outcome, integration, and terminology that may be unique to Tyler's solution.

Objectives:

- Provide a basic understanding of system functionality.
- Prepare City for current and future state analysis.

STAGE 2	Solution Orientation																
	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Provide pre-requisites			A	R							I	I		I	I		I
Complete pre-requisites											A	R		C			C
Conduct orientation			A	R							I	I		I	I		I

Inputs	Solution orientation materials
	Training Plan

6.2.2 Current & Future State Analysis

The Current & Future State Analysis provides the Project stakeholders and Tyler an understanding of process changes that will be achieved with the new system.

City and Tyler will evaluate current state processes, options within the new software, pros and cons of each based on current or desired state and make decisions about the future state configuration and processing. This may occur before or within the same timeframe as the configuration work package. The options within the new software will be limited to the scope of this implementation and will make use of standard Tyler functionality.

The City will adopt the existing Tyler solution wherever possible to avoid project schedule and quality risk from over customization of Tyler products. It is the client's responsibility to verify that in-scope requirements are being met throughout the implementation if functional requirements are defined as part of the contract. The following guidelines will be followed when evaluating if a modification to the product is required:

- A reasonable business process change is available.
- Functionality exists which satisfies the requirement.
- Configuration of the application satisfies the requirement.
- An in-scope modification satisfies the requirement.

Requirements that are not met will follow the agreed upon change control process and can have impacts on the project schedule, scope, budget and resource availability.

STAGE 2	Current & Future State Analysis
---------	---------------------------------

	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Current State process review			A	R	I	I	I				C	C	C	C			C
Discuss future-state options			A	R	C	C	C				C	C	C	C			C
Make future-state decisions (non-COTS)			C	C	C	C	C				A	R	I	C			C
Document anticipated configuration options required to support future state			A	R	C	C	C				I	I	I	I			I

Inputs	Client current state documentation
	Solution Orientation completion

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Documentation that describes future-state decisions and configuration options to support future-state decisions.	Delivery of document

Work package assumptions:

- City attendees possess sufficient knowledge and authority to make future state decisions.
- City is responsible for any documentation of current state business processes.
- Client is able to effectively communicate current state processes.

6.2.3 Conversion Assessment

Data Conversions are a major effort in any software implementation. Tyler's conversion tools facilitate the predictable, repeatable conversion process that is necessary to support a successful transition to the Tyler system. The first step in this process is to perform an assessment of the existing ("legacy") system(s), to better understand the source data, risks, and options available. Once the data has been analyzed, the plan for data conversion is completed and communicated to the appropriate stakeholders.

Objectives:

- Communicate a common understanding of the project goals with respect to data.
- Ensure complete and accurate source data is available for review/transfer.
- Document the data conversion/loading approach.

STAGE 2	Data Conversion Assessment																
	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power Users)	Department Heads	End Users	Technical Leads
			I		C						A						R
			I	I	I						A	R		C			I
			R	C	C						C	I	I	I			I

Inputs	Client Source data
	Client Source data Documentation (if available)

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Data Conversion Plan built/updated	Client Acceptance of Data Conversion Plan, if Applicable

Work package assumptions:

- If the source data is from a Tyler system Tyler's Conversion Engineers extract and map the data into the standard Munis conversion format. If the source data is from a third-party the client will provide Tyler with the data in a mutually agreed upon format.
- Tyler will work with City representatives to identify business rules before writing the conversion.
- City subject matter experts and resources most familiar with the current data will be involved in the data conversion planning effort.

6.2.4 Intentionally left blank.

6.2.5 Intentionally left blank.

6.2.6 Control Point 2: Assess & Define Stage Acceptance

Acceptance criteria for this Stage includes completion of all criteria listed below.

Note: Advancement to the Prepare Solution Stage is dependent upon Tyler's receipt of the Stage Acceptance.

Assess & Define Stage Deliverables:

- Documentation of future state decisions and configuration options to support future state decisions.
- Modification specification document.
- Assess & Define Stage Acceptance Criteria:
- All stage deliverables accepted based on criteria previously defined.
- Solution Orientation is delivered.
- Conversion data extracts are received by Tyler.
- Data conversion plan built.

6.3 Prepare Solution

During the Prepare Solution stage, information gathered during the Initiate & Plan and Assess & Define stages will be used to install and configure the Tyler software solution. Software configuration will be validated by the client against future state decisions defined in previous stages and processes refined as needed to ensure business requirements are met.

6.3.1 Initial System Deployment

The timely availability of the Tyler Solution is important to a successful Project implementation. The success and timeliness of subsequent work packages are contingent upon the initial system deployment of Tyler Licensed Software on an approved network and infrastructure. Delays in executing this work package can affect the project schedule.

Objectives:

- City's hardware is available and set up appropriately to meet Tyler's requirements.
- All licensed software is installed and operational.
- City is able to access the software.

STAGE 3	Initial System Deployment (On-Premise)																
	Tyler							Client									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Review Purchased Hardware			A				R				I						C
Setup/Prepare Hardware for Deployment for Included Environments			I				C				A						R
Install Licensed Software with Initial Database on Server(s)			A				R				I						C

for Included Environments																		
Install Licensed Software on Client Devices (if applicable)			I				C				A							R
Tyler System Administration Training (if applicable)			A				R				I							C

Inputs	Hardware is Procured and Made Available to Tyler
--------	--

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Licensed Software is Installed on the Server(s)	Software is accessible
	Licensed Software is Installed on City devices (if applicable)	Software is accessible
	Installation Checklist/System Document	System Passes
	Infrastructure Design Document (If Applicable)	

Work package assumptions:

- The most current generally available version of the Tyler Licensed Software will be installed.
- The City will provide network access for Tyler modules, printers, and Internet access to all applicable City and Tyler Project staff.

On-Premise:

- The City has procured sufficient hardware by the agreed upon timeline.
- The procured hardware and software meets Tyler requirements to ensure sufficient speed and operability of Tyler Licensed Software. Tyler will not support the use of Licensed Software if the City does not meet minimum standards of Tyler's published specifications.
- The City has in place and keeps up to date all hardware, software, and technical infrastructure necessary to support the solution.

6.3.2 Configuration

The purpose of Configuration is to prepare the software product for validation.

Tyler staff collaborates with City to complete software configuration based on the outputs of the future state analysis performed during the Assess and Define Stage. City collaborates with Tyler staff iteratively to validate software configuration.

Objectives:

- Software is ready for validation.
- Educate City Power User how to configure and maintain software.
- Prepare standard interfaces for process validation (if applicable).

STAGE 3	Configuration
---------	---------------

	Tyler							Client									
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Conduct configuration training			A	R							I	C		C			
Complete Tyler configuration tasks (where applicable)			A	R							I	I		I			
Complete Client configuration tasks (where applicable)			I	C							A	R		C			
Standard interfaces configuration and training (if applicable)			A	R			C				I	C		C			C
Updates to Solution Validation testing plan			C	C							A	R		C			C

Inputs	Documentation that describes future state decisions and configuration options to support future state decisions.
--------	--

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Configured System	N/A

Work package assumptions:

- Tyler provides guidance for configuration options available within the Tyler software. City is responsible for making decisions when multiple options are available.

6.3.3 Process Refinement

Tyler will educate the City users on how to execute processes in the system to prepare them for the validation of the software. City collaborates with Tyler staff iteratively to validate software configuration options to support future state.

Objectives:

- Ensure that City understands future state processes and how to execute the processes in the software.
- Refine each process to meet the business requirements.
- Validate standard interfaces, where applicable.
- Validate forms and reports, where applicable.

STAGE 3	Process Refinement																
	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power Users)	Department Heads	End Users	Technical Leads
Conduct process training			A	R							I	C	I	C			
Confirm process decisions			I	C						A	R	C	I	C			
Test configuration			I	C							A	R		C			
Refine configuration (Client Responsible)			I	C							A	R		C			
Refine configuration (Tyler Responsible)			A	R							I	I		I			
Validate interface process and results			I	C			C				A	R		C			C
Update client-specific process documentation (if applicable)			I	C							A	R		C			
Updates to Solution Validation testing plan			C	C							A	R		C			C

Inputs	Initial Configuration
	Documentation that describes future state decisions and configuration options to support future state decisions.
	Solution validation test plan

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Updated solution validation test plan	
	Completed client-specific process documentation (completed by City)	

Work package assumptions:

- None

6.3.4 Conversion Delivery

The purpose of this task is to transition the City's data from their source ("legacy") system(s) to the Tyler system(s). The data will need to be mapped from the legacy system into the new Tyler system format. A well-executed data conversion is key to a successful cutover to the new system(s).

With guidance from Tyler, the City will review specific data elements within the system and identify / report discrepancies. Iteratively, Tyler will collaborate with the City to address conversion discrepancies. This process will allow for clean, reconciled data to transfer from the source system(s) to the Tyler system(s). Reference Conversion Appendix for additional detail.



Objectives:

- Data is ready for production (Conversion).

STAGE 3	Data Delivery & Conversion														
	Tyler								Client						
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power Users)	Department Heads
Provide data crosswalks/code mapping tool			A	C	R						I	I		I	

Populate data crosswalks/code mapping tool			I	C	C						A	R		C			
Iterations: Conversion Development			A	C	R						I						I
Iterations: Deliver converted data			A		R			I			I						I
Iterations: Proof/Review data and reconcile to source system			C	C	C						A	R		C			C

Inputs	
	Data Conversion Plan
	Configuration

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Code Mapping Complete / Validated	N/A
	Conversion Iterations / Reviews Complete	Conversion complete, verified and ready for final pass

Work package assumptions:

- The City will provide a single file layout per source system as identified in the investment summary.
- The City subject matter experts and resources most familiar with the current data will be involved in the data conversion effort.
- The City project team will be responsible for completing the code mapping activity, with assistance from Tyler.

6.3.5 Intentionally left blank.

6.3.6 Intentionally left blank.

6.3.7 Control Point 3: Prepare Solution Stage Acceptance

Acceptance criteria for this Stage includes all criteria listed below in each Work Package.

Note: Advancement to the Production Readiness Stage is dependent upon Tyler's receipt of the Stage Acceptance.

Prepare Solution Stage Deliverables:

- Licensed software is installed.
- Installation checklist/system document.
- Conversion iterations and reviews complete.

Prepare Solution Stage Acceptance Criteria:



- All stage deliverables accepted based on criteria previously defined.
- Software is configured.
- Solution validation test plan has been reviewed and updated if needed.

6.4 Production Readiness

Activities in the Production Readiness stage will prepare the client team for go-live through solution validation, the development of a detailed go-live plan and end user training. A readiness assessment will be conducted with the client to review the status of the project and the organizations readiness for go-live.

6.4.1 Solution Validation

Solution Validation is the end-to-end software testing activity to ensure that City verifies all aspects of the Project (hardware, configuration, business processes, etc.) are functioning properly, and validates that all features and functions per the contract have been deployed for system use.

Objectives:

- Validate that the solution performs as indicated in the solution validation plan.
- Ensure City organization is ready to move forward with go-live and training (if applicable).

STAGE 4	Solution Validation																
	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Update Solution Validation plan			A	R	C						C	C		C			
Update test scripts (as applicable)			C	C	C						A	R		C			
Perform testing			C	C	C						A	R		C			
Document issues from testing			C	C	C						A	R		C			
Perform required follow-up on issues			A	R	C						C	C		C			

Inputs	Solution Validation plan
	Completed work product from prior stages (configuration, business process, etc.)

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Solution Validation Report	City updates report with testing results

Work package assumptions:

- Designated testing environment has been established.
- Testing includes current phase activities or deliverables only.

6.4.2 Go-Live Readiness

Tyler and City will ensure that all requirements defined in Project planning have been completed and the Go-Live event can occur, as planned. A go-live readiness assessment will be completed identifying risks or actions items to be addressed to ensure the client has considered its ability to successfully Go-Live. Issues and concerns will be discussed and mitigation options documented. Tyler and City will jointly agree to move forward with transition to production. Expectations for final preparation and critical dates for the weeks leading into and during the Go-Live week will be planned in detail and communicated to Project teams.

Objectives:

- Action plan for go-live established.
- Assess go-live readiness.
- Stakeholders informed of go-live activities.

STAGE 4	Go-Live Readiness																
	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Perform Readiness Assessment	I	A	R	C	C	I	C	I	I	I	I		I				I
Conduct Go-Live planning session		A	R	C							C	C	C	C	C		C
Order peripheral hardware (if applicable)			I							A	R						C
Confirm procedures for Go-Live issue reporting & resolution		A	R	I	I	I	I				C	C	I	I	I	I	I
Develop Go-Live checklist		A	R	C	C						C	C	I	C			C
Final system infrastructure review (where applicable)			A				R				C						C

Inputs	Future state decisions
	Go-live checklist

Outputs / Deliverables	Acceptance Criteria [only] for Deliverables
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	Updated go-live checklist	Updated Action plan and Checklist for go-live delivered to City
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Work package assumptions:

- None

6.4.3 End User Training

End User Training is a critical part of any successful software implementation. Using a training plan previously reviewed and approved, the Project team will organize and initiate the training activities.

Train the Trainer: Tyler provides one occurrence of each scheduled training or implementation topic. City users who attended the Tyler sessions may train additional users. Additional Tyler led sessions may be contracted at the applicable rates for training.

Tyler will provide standard application documentation for the general use of the software. It is not Tyler's responsibility to develop client specific business process documentation. Client-led training labs using client specific business process documentation if created by the client can be added to the regular training curriculum, enhancing the training experiences of the end users.

Objectives:

- End users are trained on how to use the software prior to go-live.
- City is prepared for on-going training and support of the application.

STAGE 4	End User Training																
	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Update training plan		A	R	C							C		I		C		
End User training (Tyler-led)		A	R	C							C	C	I	C	C	C	
Train-the-trainer		A	R	C							C	C	I	C			
End User training (Client-led)			C	C							A	R	I	C	C	C	

Inputs	Training Plan															
	List of End Users and their Roles / Job Duties															
	Configured Tyler System															

Outputs / Deliverables									Acceptance Criteria [only] for Deliverables							
	End User Training								City signoff that training was delivered							



Work package assumptions:

- The City project team will work with Tyler to jointly develop a training curriculum that identifies the size, makeup, and subject-area of each of the training classes.
- Tyler will work with City as much as possible to provide end-user training in a manner that minimizes the impact to the daily operations of City departments.
- City will be responsible for training new users after go-live (exception—previously planned or regular training offerings by Tyler).

6.4.4 Control Point 4: Production Readiness Stage Acceptance

Acceptance criteria for this stage includes all criteria listed below. Advancement to the Production stage is dependent upon Tyler's receipt of the stage acceptance.

Production Readiness stage deliverables:

- Solution Validation Report.
- Update go-live action plan and checklist.
- End user training.

Production Readiness stage acceptance criteria:

- All stage deliverables accepted based on criteria previously defined.
- Go-Live planning session conducted.

6.5 Production

Following end user training the production system will be fully enabled and made ready for daily operational use as of the scheduled date. Tyler and City will follow the comprehensive action plan laid out during Go-Live Readiness to support go-live activities and minimize risk to the Project during go-live. Following go-live, Tyler will work with City to verify that implementation work is concluded, post go-live activities are scheduled, and the transition to Client Services is complete for long-term operations and maintenance of the Tyler software.

6.5.1 Go-Live

Following the action plan for Go-Live, defined in the Production Readiness stage, City and Tyler will complete work assigned to prepare for Go-Live.

City provides final data extract and Reports from the Legacy System for data conversion and Tyler executes final conversion iteration, if applicable. If defined in the action plan, City manually enters any data added to the Legacy System after final data extract into the Tyler system.

Tyler staff collaborates with City during Go-Live activities. City transitions to Tyler software for day-to day business processing.

Some training topics are better addressed following Go-Live when additional data is available in the system or based on timing of applicable business processes and will be scheduled following Go-Live per the Project Schedule.

Objectives:

- Execute day to day processing in Tyler software.
- Client data available in Production environment.

STAGE 5	Go-Live																
	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Provide final source data extract, if applicable			C		C						A						R
Final source data pushed into production environment, if applicable			A	C	R						I	C		C			C
Proof final converted data, if applicable			C	C	C						A	R		C			
Complete Go-Live activities as defined in the Go-Live action plan			C	C	C					A	R	C	I	C			
Provide Go-Live assistance			A	R	C	C		I			C	C	I	C		I	C

Inputs	Comprehensive Action Plan for Go-Live
	Final source data (if applicable)

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Data is available in production environment	Client confirms data is available in production environment

Work package assumptions:

- City will complete activities documented in the action plan for Go-Live as scheduled.
- External stakeholders will be available to assist in supporting the interfaces associated with the Go-Live live process.
- The Client business processes required for Go-Live are fully documented and tested.
- The City Project team and subject matter experts are the primary point of contact for the end users when reporting issues during Go-Live.
- The City Project Team and Power User's provide business process context to the end users during Go-Live.
- The Tyler Go-Live support team is available to consult with the City teams as necessary.

- The Tyler Go-Live support team provides standard functionality responses, which may not be tailored to the local business processes.

6.5.2 Transition to Client Services

This work package signals the conclusion of implementation activities for the Phase or Project with the exception of agreed-upon post Go-Live activities. The Tyler project manager(s) schedules a formal transition of City onto the Tyler Client Services team, who provides City with assistance following Go-Live, officially transitioning City to operations and maintenance.

Objectives:

- Ensure no critical issues remain for the project teams to resolve.
- Confirm proper knowledge transfer to City teams for key processes and subject areas.

STAGE 5	Transition to Client Services																
	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power)	Department Heads	End Users	Technical Leads
Transfer client to Client Services and review issue reporting and resolution processes	I	I	A	I	I			R	I	I	C	C		C			
Review long term maintenance and continuous improvement			A					R			C	C		C			

Inputs	Open item/issues List															
Outputs / Deliverables									Acceptance Criteria [only] for Deliverables							
	Client Services Support Document															

Work package assumptions:

- No material project issues remain without assignment and plan.

6.5.3 Post Go-Live Activities

Some implementation activities are provided post-production due to the timing of business processes, the requirement of actual production data to complete the activities, or the requirement of the system being used in a live production state.

Objectives:

- Schedule activities that are planned for after Go-Live.
- Ensure issues have been resolved or are planned for resolution before phase or project close.

STAGE 5	Post Go-Live Activities																
	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Schedule contracted activities that are planned for delivery after go-live		A	R	C	C	C	C	I			C	C	I	C			C
Determine resolution plan in preparation for phase or project close out		A	R	C	C	C		I			C	C	I	C			

Inputs	List of post Go-Live activities														
Outputs / Deliverables											Acceptance Criteria [only] for Deliverables				
	Updated issues log														

Work package assumptions:

- System is being used in a live production state.

6.5.4 Control Point 5: Production Stage Acceptance

Acceptance criteria for this Stage includes completion of all criteria listed below:

- Advancement to the Close stage is not dependent upon Tyler's receipt of this Stage Acceptance.
- Converted data is available in production environment.

Production Stage Acceptance Criteria:

- All stage deliverables accepted based on criteria previously defined.
- Go-Live activities defined in the Go-Live action plan completed.
- Client services support document is provided.

6.6 Close

The Close stage signifies full implementation of all products purchased and encompassed in the Phase or Project. City transitions to the next cycle of their relationship with Tyler (next Phase of implementation or long-term relationship with Tyler Client Services).

6.6.1 Phase Closeout

This work package represents Phase completion and signals the conclusion of implementation activities for the Phase. The Tyler Client Services team will assume ongoing support of City for systems implemented in the Phase.

Objectives:

- Agreement from Tyler and City teams that activities within this phase are complete.

STAGE 6	Phase Close Out																
	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Reconcile project budget and status of contract Deliverables	I	A	R						I	I	C						
Hold post phase review meeting		A	R	C	C	C	C				C	C	C	C			C
Release phase-dependent Tyler project resources	A	R	I								I						

Participants	Tyler	Client
	Project Leadership	Project Manager
	Project Manager	Project Sponsor(s)
	Implementation Consultants	Functional Leads, Power Users, Technical Leads
	Technical Consultants (Conversion, Deployment, Development)	
	Client Services	

Inputs	Contract
	Statement of Work
	Project artifacts

Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Final action plan (for outstanding items)	
	Reconciliation Report	
	Post Phase Review	

Work package assumptions:

- Tyler deliverables for the phase have been completed.

6.6.2 Project Closeout

Completion of this work package signifies final acceptance and formal closing of the Project.

At this time City may choose to begin working with Client Services to look at continuous improvement Projects, building on the completed solution.

Objectives:

- Confirm no critical issues remain for the project teams to resolve.
- Determine proper knowledge transfer to City teams for key processes and subject areas has occurred.
- Verify all deliverables included in the Agreement are delivered.

STAGE 6	Project Close Out																
	Tyler								Client								
RACI MATRIX KEY: R = Responsible A = Accountable C = Consulted I = Informed	Executive Manager	Implementation Manager	Project Manager	Implementation Consultant	Data Experts	Modification Services	Technical Services	Client Services	Executive Sponsor	Steering Committee	Project Manager	Functional Leads	Change Management Leads	Subject Matter Experts (Power	Department Heads	End Users	Technical Leads
Conduct post project review		A	R	C	C	C	C				C	C	C	C			C
Deliver post project report to City and Tyler leadership	I	A	R						I	I	C						
Release Tyler project resources	A	R	I								I						

Inputs	Contract
	Statement of Work



Outputs / Deliverables		Acceptance Criteria [only] for Deliverables
	Post Project Report	Client acceptance; Completed report indicating all project Deliverables and milestones have been completed

Work package assumptions:

- All project implementation activities have been completed and approved.
- No critical project issues remain that have not been documented and assigned.
- Final project budget has been reconciled and invoiced.
- All Tyler deliverables have been completed.

6.6.3 Control Point 6: Close Stage Acceptance

Acceptance criteria for this Stage includes completion of all criteria listed below.

Close Stage Deliverables:

- Post Project Report.

Close Stage Acceptance Criteria:

- Completed report indicating all Project deliverables and milestones have been completed.

7. General Assumptions

Tyler and City will use this SOW as a guide for managing the implementation of the Tyler Project as provided and described in the Agreement. There are a number of assumptions which, when acknowledged and adhered to, will support a successful implementation. Assumptions related to specific work packages are documented throughout the SOW. Included here are general assumptions which should be considered throughout the overall implementation process.

7.1 Project

- Project activities will begin after the Agreement has been fully executed.
- The City Project Team will complete their necessary assignments in a mutually agreed upon timeframe in order to meet the scheduled go-live date, as outlined in the Project Schedule.
- Sessions will be scheduled and conducted at a mutually agreeable time.
- Additional services, software modules and modifications not described in the SOW or Agreement will be considered a change to this Project and will require a Change Request Form as previously referenced in the definition of the Change Control Process.
- Tyler will provide a written agenda and notice of any prerequisites to the City project manager(s) ten (10) business days or as otherwise mutually agreed upon time frame prior to any scheduled on-site or remote sessions, as applicable.
- Tyler will provide guidance for configuration and processing options available within the Tyler software. If multiple options are presented by Tyler, City is responsible for making decisions based on the options available.

- Implementation of new software may require changes to existing processes, both business and technical, requiring City to make process changes.
- City is responsible for defining, documenting and implementing their policies that result from any business process changes.

7.2 Organizational Change Management

Unless otherwise contracted by Tyler, City is responsible for managing Organizational Change. Impacted Client resources will need consistent coaching and reassurance from their leadership team to embrace and accept the changes being imposed by the move to new software. An important part of change is ensuring that impacted client resources understand the value of the change, and why they are being asked to change.

7.3 Resources and Scheduling

- City resources will participate in scheduled activities as assigned in the Project Schedule.
- The City team will complete prerequisites prior to applicable scheduled activities. Failure to do so may affect the schedule.
- Tyler and City will provide resources to support the efforts to complete the Project as scheduled and within the constraints of the Project budget.
- Abbreviated timelines and overlapped Phases require sufficient resources to complete all required work as scheduled.
- Changes to the Project Schedule, availability of resources or changes in Scope will be requested through a Change Request. Impacts to the triple constraints (scope, budget and schedule) will be assessed and documented as part of the change control process.
- City will ensure assigned resources will follow the change control process and possess the required business knowledge to complete their assigned tasks successfully. Should there be a change in resources, the replacement resource should have a comparable level of availability, change control process buy-in, and knowledge.
- City makes timely Project related decisions in order to achieve scheduled due dates on tasks and prepare for subsequent training sessions. Failure to do so may affect the schedule, as each analysis and implementation session is dependent on the decisions made in prior sessions.
- City will respond to information requests in a comprehensive and timely manner, in accordance with the Project Schedule.
- City will provide adequate meeting space or facilities, including appropriate system connectivity, to the project teams including Tyler team members.
- For on-site visits, Tyler will identify a travel schedule that balances the needs of the project and the employee.

7.4 Data

- Data will be converted as provided and Tyler will not create data that does not exist.
- City is responsible for the quality of legacy data and for cleaning or scrubbing erroneous legacy data.
- Tyler will work closely with City representatives to identify business rules before writing the conversion. City must confirm that all known data mapping from source to target have been identified and documented before Tyler writes the conversion.
- All in-scope source data is in data extract(s).
- Each legacy system data file submitted for conversion includes all associated records in a single approved file layout.

- The client will provide the legacy system data extract in the same format for each iteration unless changes are mutually agreed upon in advance. If not, negative impacts to the schedule, budget and resource availability may occur and/or data in the new system may be incorrect.
- The City Project Team is responsible for reviewing the converted data and reporting issues during each iteration, with assistance from Tyler.
- Client is responsible for providing or entering test data (e.g., data for training, testing interfaces, etc.)

7.5 Facilities

- City will provide dedicated space for Tyler staff to work with City resources for both on-site and remote sessions. If Phases overlap, City will provide multiple training facilities to allow for independent sessions scheduling without conflict.
- City will provide staff with a location to practice what they have learned without distraction.



8. Glossary

Word or Term	Definition
Acceptance	Confirming that the output or deliverable is suitable and conforms to the agreed upon criteria.
Accountable	The one who ultimately ensures a task or deliverable is completed; the one who ensures the prerequisites of the task are met and who delegates the work to those responsible. [Also see RACI]
Application	A computer program designed to perform a group of coordinated functions, tasks or activities for the benefit of the user.
Application Programming Interface (API)	A defined set of tools/methods to pass data to and received data from Tyler software products
Agreement	This executed legal contract that defines the products and services to be implemented or performed.
Business Process	The practices, policy, procedure, guidelines, or functionality that the client uses to complete a specific job function.
Business Requirements Document	A specification document used to describe Client requirements for contracted software modifications.
Change Request	A form used as part of the Change Control process whereby changes in the scope of work, timeline, resources, and/or budget are documented and agreed upon by participating parties.
Change Management	Guides how we prepare, equip and support individuals to successfully adopt change in order to drive organizational success & outcomes
Code Mapping [where applicable]	An activity that occurs during the data conversion process whereby users equate data (field level) values from the old system to the values available in the new system. These may be one to one or many to one. Example: Old System [Field = eye color] [values = BL, Blu, Blue] maps to New Tyler System [Field = Eye Color] [value = Blue].
Consulted	Those whose opinions are sought, typically subject matter experts, and with whom there is two-way communication. [Also see RACI]
Control Point	This activity occurs at the end of each stage and serves as a formal and intentional opportunity to review stage deliverables and required acceptance criteria for the stage have been met.
Data Mapping [where applicable]	The activity determining and documenting where data from the legacy system will be placed in the new system; this typically involves prior data analysis to understand how the data is currently used in the legacy system and how it will be used in the new system.
Deliverable	A verifiable document or service produced as part of the Project, as defined in the work packages.
Go-Live	The point in time when the Client is using the Tyler software to conduct daily operations in Production.
Informed	Those who are kept up-to-date on progress, often only on completion of the task or deliverable, and with whom there is just one-way communication. [Also see RACI]

Infrastructure	The composite hardware, network resources and services required for the existence, operation and management of the Tyler software.
Interface	A connection to and potential exchange of data with an external system or application. Interfaces may be one way, with data leaving the Tyler system to another system or data entering Tyler from another system, or they may be bi-directional with data both leaving and entering Tyler and another system.
Integration	A standard exchange or sharing of common data within the Tyler system or between Tyler applications
Legacy System	The software from which a client is converting.
Modification	Custom enhancement of Tyler's existing software to provide features or functions to meet individual client requirements documented within the scope of the Agreement.
On-site	Indicates the work location is at one or more of the client's physical office or work environments.
Organizational Change	The process of changing an organization's strategies, processes, procedures, technologies, and culture, as well as the effect of such changes on the organization.
Output	A product, result or service generated by a process.
Peripheral devices	An auxiliary device that connects to and works with the computer in some way. Some examples: scanner, digital camera, printer.
Phase	A portion of the Project in which specific set of related applications are typically implemented. Phases each have an independent start, Go-Live and closure dates but use the same Implementation Plans as other Phases of the Project. Phases may overlap or be sequential and may have different Tyler resources assigned.
Project	The delivery of the software and services per the agreement and the Statement of Work. A Project may be broken down into multiple Phases.
RACI	A matrix describing the level of participation by various roles in completing tasks or Deliverables for a Project or process. Individuals or groups are assigned one and only one of the following roles for a given task: Responsible (R), Accountable (A), Consulted (C), or Informed (I).
Remote	Indicates the work location is at one or more of Tyler's physical offices or work environments.
Responsible	Those who ensure a task is completed, either by themselves or delegating to another resource. [Also see RACI]
Scope	Products and services that are included in the Agreement.

Solution	The implementation of the contracted software product(s) resulting in the connected system allowing users to meet Project goals and gain anticipated efficiencies.
Stage	The top-level components of the WBS. Each Stage is repeated for individual Phases of the Project.
Standard	Software functionality that is included in the base software (off-the-shelf) package; is not customized or modified.
Statement of Work (SOW)	Document which will provide supporting detail to the Agreement defining Project-specific activities, services and Deliverables.
System	The collective group of software and hardware that is used by the organization to conduct business.
Test Scripts	The steps or sequence of steps that will be used to validate or confirm a piece of functionality, configuration, enhancement, or Use Case Scenario.
Training Plan	Document(s) that indicate how and when users of the system will be trained relevant to their role in the implementation or use of the system.
Validation (or to validate)	The process of testing and approving that a specific Deliverable, process, program or product is working as expected.
Work Breakdown Structure (WBS)	A hierarchical representation of a Project or Phase broken down into smaller, more manageable components.
Work Package	A group of related tasks within a project.



Part 4: Appendices

9. Conversion

9.1 Munis Conversion Summary

9.1.1 Accounting COA

- Chart of Accounts segments, objects, character codes, project codes (if applicable), organization codes (if applicable), control accounts budget rollups, fund attributes, due to/due from accounts
- Requires the use of a Tyler provided spreadsheet for design and entry of the data to be converted

9.1.2 Accounting - Actuals

- Summary account balances
- Up to 3 years

9.1.3 Accounting - Budgets

- Original budget, budget adjustments, revised budget summaries for accounts
- Up to 3 years

9.1.4 Accounts Payable Master

- Vendor Master file including names, addresses, SSN/FID, contacts, phone numbers
- Multiple remittance addresses
- Year-to-date 1099 amounts

9.1.5 Accounts Payable - Checks

- Check header data including vendor, warrant, check number, check date, overall check amount, GL cash account and clearing information
- Check detail data including related document and invoice numbers for each check
- Up to 5 years

9.1.6 Accounts Payable - Invoices

- Invoice header data containing general information for the invoice
- Invoice detail data containing line-specific information for the invoice
- Up to 5 years

9.1.7 Capital Assets Master

- Asset description, status, acquisition quantity, date and amount, codes for asset class, subclass, department, custodian, flags for capitalization and depreciation, estimated life, serial number, model, model year, depreciation method, life-to-date depreciation amount, last depreciation date, disposal information (if any), purchase information, if any (vendor, PO, Invoice)

9.1.8 General Billing CID

- Customer information

9.1.9 General Billing – Recurring Invoices

- General Billing Invoices that are sent on a regular basis
- Header records with general information about the invoice
- Detail records with line-specific information

9.1.10 General Billing – Bills

- 5 years of open and closed invoices
- General Ledger information so open invoices can be processed in Munis

9.1.11 Project Grant Accounting

- Segments, account strings and fund string allocation table
- Requires the use of a Tyler provided (Chart of Accounts) spreadsheet for design and entry of the data to be converted

9.1.12 Project Grant Accounting - Actuals

- Summary project ledger string balances. If linking to GL, must be converted at the same time.
- Up to 3 years

9.1.13 Project Grant Accounting – Budget

- Original project ledger budget amounts. If linking to GL, must be converted at the same time.
- Up to 3 years

9.1.14 Purchase Orders

- Open purchase orders header data including vendor, buyer, date, accounting information, etc.
- Open purchase orders detail data including line item descriptions, quantities, amounts, etc.

9.1.15 Payroll

- Payroll Employee Master data including data such as name, address, SSN, legacy employee ID, date of birth, hire date, activity status (such as active/inactive), leave/termination code and date, phone(s), e-address, marital status, gender, race, personnel status (such as full-time, part-time, etc.), highest degree, advice-delivery (print/email/both) and check location, plus primary group, job, location, and account information

9.1.16 Payroll - Deductions

- Employee Deductions - including employee ID, deduction codes, tax information, and direct deposit information

9.1.17 Payroll – Accrual Balances

- Employee Accrual Balances including Vacation, Holiday, and other Leave balances
- Start of year balance, earned to date, used to date

9.1.18 Payroll – Accumulators

- YTD, QTD, MTD amounts for employee pay and deductions
- Needed for mid-calendar-year go-live
- May not be needed if converting earnings/deductions history
- Up to 5 years

9.1.19 Payroll – Check History

- Up to 5 years, additional years must be quoted. We convert amounts for earnings and deductions in employee check history, check number and date.

9.1.20 Payroll – Earning/Deduction Hist.

- Up to 5 years, additional years must be quoted. Earning and deduction history broken down by individual codes (earnings and deduction) and amounts per pay period, the detail of these lines, sums the check history in opt 4.

9.1.21 Payroll – PM Action History

- A variety of Personnel actions, such as job or salary changes and dates these events occurred.
- Up to 5 years

9.1.22 Payroll – Position Control

- Position, description, status, job code, bargaining group, location, number of employees allowed for each, FTE percentage, GL account, and max/min grade and step

9.1.23 Utility Billing

- Account Master data including previous and current customer owner information- address info, phone, fax, SSN number, FID number, account status, parcel number, location street, apartment, city, state, zip, book number, read sequence, account start and end date, EFT bank information

9.1.24 Utility Billing –Services

- Current service codes, service status, type, factor, condo units, bill cycle codes, , current deposits held on account including unpaid deposit amounts, winter usage, current meter(s) associated with service, meter readings(current and previous), meter usage (current and previous) and sales tax information.

9.1.25 Utility Billing –Assessments

- Assessments are improvement costs that are spread across to property owner
- Utility Billing conversion option 4 (balance forward AR) must also be purchased in order to convert assessments

9.1.26 Utility Billing –Consumption History

- History of meter readings, usage, read dates, usage days, bill amounts, bill dates, read codes
- Up to 5 years

9.1.27 Utility Billing –Balance Forward AR

- Account balance forward information converted as total amount due. If the client's business practices require current due and past due bills this can be broken into three balance forward bills (current balance due and up to two past due balance bills). These can be converted to one balance forward charge code or separate balance forward charge codes, and converted to the account/customer, if the client's legacy data contains this information.
- If late penalties will be applied in Munis after the conversion, balance forward amounts must be converted by charge code

9.1.28 Utility Billing – Work Orders

- Work Orders data associated with accounts, including meter repairs, checks for leaky meter, reread a meter due to high reading

9.1.29 Utility Billing –Backflow

- Account information, backflow device information, backflow type, and backflow violations

9.1.30 Utility Billing –Budget Billing

- Converts information for budget average billing by account, customer and service. Legacy data must include: calculated budget amount by service; number of periods remaining until plan renews; budget plan balance/credit amount, broken out by service/customer; additional amortized amount by service.



10. Additional Appendices

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11. Project Timeline

11.1 ERP Project Timeline

The Project Timeline establishes a target duration for each Phase of the Project. The duration needs to account for resource availability, business goals, size and complexity of the Project, and task duration requirements. These will be reviewed and adjusted, if needed, during the Initiate and Plan Stage. Refer to the Project Stages section of this SOW for information on work packages associated with each stage of the implementation.

The following scope and durations may be revised based on the date the Agreement is signed and further refined during the course of the project. Tyler requires up to forty-five (45) days to move from Agreement signing to the Initiate & Plan Stage.

Project shall commence at a mutually agreed upon date by Tyler Technologies and the City but no later than 60 days after the City proposed date.

Phase	Functional Areas	Software Modules	Duration
1	Munis Financials	- Accounting/GL - Accounts Payable - Budgeting - Capital Assets - Cash Management - Contract Management - Project & Grant Accounting - Purchasing - Accounts Receivable - General Billing - Tyler Cashiering	12 months
1	Munis Productivity	- Munis Analytics & Reporting - Tyler Ready Forms - Tyler Content Manager SE	Included in Phase 1
2	Munis Utility Billing	- Utility Billing CIS - UB Interface	12 months
3	Munis Human Capital Management	- Payroll w/Employee Self Service - Human Resources & Talent Management	12 months

11.2 Intentionally left blank.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 3, 2021

PREPARED BY: Inga Alonzo, Management Analyst
APPROVED BY: City Manager

APPROVE AGREEMENT WITH TESCO CONTROLS, INC. FOR SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEMS INTEGRATION CONSULTING SERVICES

RECOMMENDATION(S)

Approve and authorize the City Manager to execute a consulting agreement with Tesco Controls, Inc. in the not to exceed amount of \$87,090 for SCADA systems integration services.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Maintaining Infrastructure

GUIDING DOCUMENTS

Water System Master Plan
Wastewater System Master Plan

REPORT NARRATIVE:

In 2003, City staff conducted a competitive bid process for the purchase and installation of a new Supervisory Control and Data Acquisition (SCADA) system to remotely monitor and control the City's water and wastewater facilities. On June 18, 2003, the City Council awarded TESCO Controls, Inc a \$1.24 million contract to install and support the SCADA system which has been operating effectively for the past eighteen years.

SCADA software must be periodically upgraded to maintain the operating system and implement technology improvements. The City typically upgrades software only when the main SCADA servers are replaced, which is approximately every five years. At this time, the SCADA servers are past due for replacement and are now unable to facilitate needed software and technology upgrades. The last upgrade was done in 2014. Staff recommends TESCO Controls Inc., to provide this upgrade due to their familiarity with our system and their responsive, professional service provided to the City over the past eighteen years the SCADA system has been in operations.

COMMUNITY ENGAGEMENT: Not Applicable

Ongoing maintenance of the City's water and wastewater infrastructure is an expected service provided by the City.

ALTERNATIVE ACTIONS:

The Council could elect to instruct staff to prepare a request for proposals for the hardware project. This will delay the SCADA system upgrades and is not recommended. The Municipal Code notes that “the City Council finds and declares that the competitive bid process is ill-suited for the selection of consultants,” which is accurate in this case. Bringing in an alternate consultant through a competitive process would create unnecessary risks to system operations and time delays.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council has previously awarded Tesco Controls a contract for purchase and implementation of the SCADA system on June 18, 2003. Subsequently on December 17, 2008 and October 16, 2013, City Council awarded Tesco a contract for SCADA system integration services.

FISCAL AND RESOURCE IMPACT:

The funding for implementation of SCADA upgrades will be 60% from contractual services for water enterprise funds and 40% from contractual services for wastewater enterprise funds. There are sufficient funds carried over from the prior fiscal year for the consultant services agreement with Tesco. Part of Tesco’s agreement is to determine the hardware (servers) needed to meet the needs of the City’s SCADA system. A budget amendment for the hardware and other costs will be requested when staff is certain of the amount.

CEQA (California Environmental Quality Act): Categorical Exemption

This project is Categorically Exempt pursuant to Section 15301 of CEQA Guidelines, Class 1 Existing Facilities, because the work to be performed is implementation and upgrade of existing water and wastewater infrastructure involving no expansion of existing use.

LINKS/ATTACHMENTS:

1. TESCO Agreement

CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS TESCO CONTROLS, INC.

THIS AGREEMENT is entered into and becomes effective on _____ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and TESCO Controls, Inc. a California corporation ("CONSULTANT") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority.** This Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on _____, _____, 20____.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until December 31, 2022 at which time CONSULTANT'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Service.** The services to be performed by CONSULTANT shall be SCADA upgrade and implementation services as further described in **Exhibit A.**
4. **Compensation.** CONSULTANT shall be compensated as follows:
 - 4.1. **Amount.** \$87,090.00. Total compensation to CONSULTANT under this Agreement during its initial term set forth in Section 2 above shall not exceed Eighty-Seven Thousand, Ninety dollars and shall be billed based on the rate and basis set forth in **Exhibit B.** If the City Manager extends the term of this Agreement for up to one year pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to CONSULTANT, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement, and provided further that in no event shall such maximum compensation allowed for the term exceed the City Manager's authority pursuant to Chapter 3.04 of the Morgan Hill Municipal Code, unless otherwise authorized by City Council.
 - 4.2. **Billing.** CONSULTANT shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by CONSULTANT on a monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 13 Notices. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY's judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.

5. **Termination.** CITY or CONSULTANT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, CONSULTANT shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require CONSULTANT to complete certain work product or documents and CONSULTANT shall deliver to CITY all documents in its possession without additional compensation to CONSULTANT. The City Manager of CITY is authorized to terminate this Agreement, in whole or in part, on behalf of CITY.

5.1. **Non-Appropriations.** Notwithstanding anything contained in this Agreement to the contrary, if insufficient funds are appropriated, or funds are otherwise unavailable in the budget for CITY for any reason whatsoever in any fiscal year, for payments due under this Agreement, CITY will immediately notify CONSULTANT of such occurrence, and this Agreement shall terminate after the last day during the fiscal year for which appropriations shall have been budgeted for CITY or are otherwise available for payments.

6. **Performance of Work.** CONSULTANT represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by CONSULTANT in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of the CONSULTANT'S profession. By delivery of completed work, CONSULTANT certifies that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws. CONSULTANT shall perform all work and services under this Agreement in conformance with the time schedule set forth on Exhibit C, "Schedule of Performance," attached hereto and incorporated herein by this reference. CITY's City Manager is authorized on behalf of CITY to modify the timeframes set forth on the Schedule of Performance within the term of this Agreement. If CONSULTANT desires to leave or store any of CONSULTANT's equipment at a CITY site while CONSULTANT is performing work or service pursuant to this Agreement, CONSULTANT will first obtain the consent of CITY's City Manager, or his/her delegate, to do so, and any such storage shall occur only in the manner and location allowed by such CITY official and entirely at CONSULTANT's sole risk.

7. **Insurance Requirements.** CONSULTANT shall procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of CONSULTANT, including its subcontractors, employees and agents, relating to or arising from the performance of any work or service under this Agreement, and must remain in full force and effect at all times during the period covered by this Agreement. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. Any deductibles or self-insured retentions must be declared to and approved by City. CONSULTANT further understands that the CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to CONSULTANT, at any time as deemed necessary to protect the interests of the CITY.

7.1. **Insurance Types and Amounts.**

7.1.1. **Commercial General Liability (CGL).** CONSULTANT shall maintain CGL against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT

under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

- 7.1.2. Automobile Liability. CONSULTANT shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if CONSULTANT does not own automobiles, then CONSULTANT shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 7.1.3. Workers' Compensation Insurance and Employer's Liability. CONSULTANT shall maintain Workers Compensation coverage, as required by law, in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If CONSULTANT is self-insured, CONSULTANT shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.
- 7.1.4. Pollution (Environmental) Liability. If the performance of CONSULTANT'S work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials, CONSULTANT shall procure and maintain Pollution Liability covering the CONSULTANT'S liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 7.1.5. Professional Liability.
 - 7.1.5.1. If the performance of CONSULTANT's work or service under this Agreement involves professional and/or technical services (examples include, but are not limited to, architects, engineers, land surveyors, and appraisers), CONSULTANT shall procure and maintain either a claims made or occurrence Errors and Omission liability insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if CONSULTANT maintains a claims-made policy, CONSULTANT shall provide written

evidence of such insurance to the CITY for at least five (5) years after the completion of work performed under this Agreement.

7.1.5.2. If the performance of CONSULTANT's work or service under this Agreement relates to Information Technology or related services (examples include, but are not limited to computer programmers, software designers, hardware engineers, or other systems consultants), CONSULTANT shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data Breach, in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.6. Sexual Abuse/Molestation Liability (SML): If the performance of CONSULTANT's work or service under this Agreement involves contact with minors, CONSULTANT shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) two hundred thousand dollars (\$200,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.2. **Endorsements**. CONSULTANT shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

7.2.1. General Liability and pollution liability (when pollution liability applies).

7.2.1.1. The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds;

7.2.1.2. The insurer waives the right of subrogation against the City of Morgan Hill and the CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and,

7.2.1.3. Insurance shall be primary non-contributing.

7.2.2. Workers Compensation.

If the performance of CONSULTANT'S work or service under this Agreement involves access to or activity on any property or premises owned or occupied by the CITY, including, but not limited to, CONSULTANT'S presence during site visits and meetings, then insurer waives the right of subrogation against the City of Morgan Hill and the CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

7.3. **Qualification of Insurers**. All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to

carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of "A" or better and a financial size rating of "VII" or better.

- 7.4. **Certificates.** CONSULTANT shall furnish CITY of Morgan Hill with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, CONSULTANT shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to the CONSULTANT's agreement with the CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. A "material change" is a change that results in non-compliance with any insurance requirements in this section 7. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

City of Morgan Hill
Attn: Risk Management
17575 Peak Avenue
Morgan Hill, CA 95037

8. **Non-Liability of Officials and Employees of the CITY.** No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

9. **Compliance with Law.**

- 9.1. CONSULTANT and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. CONSULTANT and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.
- 9.2. Compliance with Wage and Hour Laws: Consultant, and any subcontractor it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act and the California Labor Code.

Final Judgments, Decisions, and Orders: For purposes of this Section, a "final judgment, decision, or order" refers to one for which all appeals have been exhausted or the time to appeal has expired. Relevant investigatory government agencies include: the federal Department of Labor, the California Division of Labor Standards Enforcement, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

Prior Judgments against CONSULTANT and/or its Subcontractors: BY SIGNING THIS AGREEMENT, CONSULTANT AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR

INVESTIGATORY GOVERNMENT AGENCY FINDING – IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT – THAT CONSULTANT OR ITS SUBCONTRACTOR(S) HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONSULTANT FURTHER AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) HAS SATISFIED AND COMPLIED WITH – OR HAS REACHED AGREEMENT WITH THE CITY REGARDING THE MANNER IN WHICH IT WILL SATISFY – ANY SUCH JUDGMENTS, DECISIONS OR ORDERS.

Judgments or Decisions During Term of Contract: If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that CONSULTANT or an subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or CONSULTANT learns of such a judgment, decision, or order that was not previously disclosed, CONSULTANT shall inform the City Attorney, no more than fifteen (15) days after the judgment, decision or order becomes final or of learning of the final judgment, decision or order. CONSULTANT and its subcontractors shall promptly satisfy and comply with any such judgment, decision, or order, and shall provide the City Attorney with documentary evidence of compliance with the final judgment, decision or order within five (5) days of satisfying the final judgment, decision or order. The City reserves the right to require CONSULTANT to enter into an agreement with the City regarding the manner in which any such final judgment, decision, or order will be satisfied.

City's Right to Withhold Payment: Where CONSULTANT or any subcontractor it employs to perform work under this Agreement has been found in violation of any applicable wage and hour law by a final judgment, decision or order of a court or government agency, the City reserves the right to withhold payment to CONSULTANT until such judgment, decision or order has been satisfied in full.

Material Breach: Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

Notice to City Related to Wage Theft Prevention: Notice provided to the City Attorney as required under this Section shall be addressed to: City Attorney, City of Morgan Hill, 17575 Peak Avenue, Morgan Hill, CA 95037. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

10. **Independent Contractor.** CONSULTANT is an independent contractor and not an agent or employee of CITY.
11. **Confidentiality.** All data, documents, or other information received by CONSULTANT from CITY or prepared in connection with CONSULTANT'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by CONSULTANT without prior written consent by CITY.

12. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.

13. **Notices.** All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of CONSULTANT is as follows:

TESCO Controls, Inc.
8440 Florin Road
Sacramento, CA 95828

Address of CITY is as follows:

Utilities Division	with a copy to:
City of Morgan Hill	City Clerk
17575 Peak Avenue	City of Morgan Hill
Morgan Hill, CA 95037	17575 Peak Avenue
	Morgan Hill, CA 95037

14. **Licenses, Permits and Fees.** CONSULTANT shall obtain a City of Morgan Hill Business License, all permits and licenses to the extent required by ordinances, codes and regulations of the federal, state and local government.

15. **Consultant's Proposal.** If applicable, this Agreement shall include CONSULTANT'S proposal or bid which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.

16. **Maintenance of Records.**

16.1. **Maintenance.** CONSULTANT shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and CITY rules and ordinances related to services provided under this Agreement. CONSULTANT shall maintain records for a period of at least 3 years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the 3-year period, then CONSULTANT shall retain said records until such action is resolved.

16.2. **Access to and Audit of Records.** The CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONSULTANT and its subcontractors related to services under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the Parties to this Agreement may be subject, at the request of the CITY or as part of any audit of the CITY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

16.3. **Ownership of Work Product.** All documents or other information developed or received by CONSULTANT for work performed under this Agreement shall be the

property of CITY. CONSULTANT shall provide CITY with copies of these items upon demand or upon termination of this Agreement.

17. **Familiarity with Work.** By executing this Agreement, CONSULTANT represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should CONSULTANT discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at CONSULTANT'S risk, until written instructions are received from CITY.

18. **Time of Essence.** Time is of the essence in the performance of this Agreement.

19. **No Assignment.** Neither this Agreement nor any portion shall be assigned by CONSULTANT, without prior written consent of CITY. Any attempted assignment not first approved by CITY shall be void and, at CITY's option, shall terminate this Agreement effective as of the date of such attempted assignment.

20. **Attorney Fees.** In any legal action, dispute or arbitration arising out of or relating to this Agreement, the prevailing party shall be entitled to an award of its reasonable attorney fees, costs and expenses incurred.

21. **Defense and Indemnification.**

21.1. **Defense and Indemnification for Design Professional Services.** Consistent with California Civil Code Section 2782.8, for design professional services to be performed under this agreement by a design professional, as that term is defined under said Section 2782.8, CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors in performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement ("CLAIM") to the extent of CONSULTANT'S proportionate percentage of fault.

21.2. **Defense and Indemnification for Non-Design Professional Services.** For all services performed under this agreement not covered by Section 21.1 above, CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

- 21.3. **Exceptions.** CONSULTANT is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence, active negligence or willful misconduct of the CITY.
- 21.4. **Not limited by insurance.** The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMs alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by CONSULTANT.
- 21.5. **Right to Offset.** CITY shall have the right to offset against any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT's failure to pay CITY promptly any indemnification arising under this Section (21) and any amount due CITY from CONSULTANT arising from CONSULTANT's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 21.6. **Interpretation.** This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of the CONSULTANT to indemnify the INDEMNITEE shall be as broad and inclusive as permitted by the laws of the State of California and shall survive termination of this Agreement.
22. **Entire Agreement; Modification; Conflicting Provisions.** This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified or provisions waived only by a subsequent mutual written agreement executed by CITY and CONSULTANT. If the provisions contained in the main body of this Agreement conflict with any provision contained in an exhibit to this Agreement, the provisions of the main body of this Agreement shall govern and control over any provision contained in an exhibit to this Agreement.
23. **Governing Law and Venue.** This Agreement shall be construed in accordance with the laws of the State of California. This Agreement was entered into and is to be performed in the County of Santa Clara. Any action or dispute arising out of this Agreement shall only be brought in Santa Clara County.
24. **Interpretation.** This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular Party based on a contention that the Agreement was drafted by one of the Parties including, but not limited to, California Civil Code § 1654, the provisions of which are hereby waived. This Agreement shall be construed and interpreted in a neutral manner.
25. **Preservation of Agreement.** If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the rest of the Agreement shall remain in full force and effect and shall in no way be affected or invalidated.
26. **Binding Agreement.** Notwithstanding the provisions of Section 19 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of CONSULTANT in the same manner as if those successors in interest,

legal representatives or other permitted assignees or transferees had entered into this Agreement originally.

27. ☐ **Data Sharing.** This Agreement requires access by CONSULTANT to CITY's Geographic Information System (GIS) DATA for CONSULTANT to perform the work. CITY agrees to provide the GIS DATA to CONSULTANT solely for the purpose of performance of contracted work with the CITY upon the terms and conditions specified in Exhibit D, incorporated herein by this reference.

[Signatures on Next Page]

28. **Authority to Execute.** Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

IN WITNESS THEREOF, these Parties have executed this Agreement on the day and year shown below.

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

(1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

City Clerk/Deputy City Clerk

City Manager

Michelle Bigelow
Print Name

Christina J. Turner
Print Name

Date: _____

Date: _____

APPROVED AS TO FORM:

TESCO Controls, Inc.

City Attorney

By: 

Donald A. Larkin
Print Name

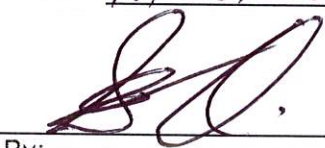
SHAUN THOMAS, CEO

Print Name and Title of Signer.

If Corporate: Chairman, President or Vice President

Date: _____

Date: 10/26/2021

By: 

SETH ROBINSON, CFO

Print Name and Title of Signer.

If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: 10/26/21

EXHIBIT A SCOPE OF SERVICES

Consultant services shall include required SCADA engineering services to upgrade the existing City of Morgan Hill SCADA system using the latest sever hardware including latest Microsoft Windows operating systems and SCADA software package. This will include and is not limited to, upgrade/refresh of the City's Wonderware Intouch, Historian, and alarm software licenses. Consultant shall provide and configure the new host SCADA servers in a VMWare ESXi Virtualized environment.

Any and all software and licensing including Wonderware software, communication servers/drivers, computer software, and Microsoft software shall be relinquished and registered to the City.

The upgrade will be a hardware and software refresh of the existing configuration. The existing SCADA screens shall be reused for graphical interface of all current sites. Cunsultant services shall include configuration of a timed message at the existing L3000 Gateway Modules located at Server 1 and Server 2 to eliminate dual poling upon a communication failure between the Servers. The Gateways will be configured to monitor communication of all RTU's only allowing one of the two servers to acquire data from remote sites.

The system hardware including new rack mounted virtual host servers, Network attached storage (NAS) device, UPS, network router, switches, firewall, and thin clients shall be procured by the City of Morgan Hill to be delivered to TESCO for configuration and factory test. In addition to the new system hardware package, the City will procure and furnish to TESCO all updated SCADA software licenses, Microsoft operating system software, and virtualization software.

Consultant shall coordinate with City Operations and IT Department to conduct a focused workshop for review and determination of the City's SCADA and network requirements which may include and is not limited to System Redundancy, Mobile Access, and Alarm Notifications. Upon completion of the workshop, TESCO shall provide a draft design submittal package to include the following:

- Recommendations for any SCADA software license modifications or additions, operating system software, and virtualization packages.
- Recommendations for SCADA system hardware including servers, storage devices, power supplies, network routers/switches/firewalls, and work stations.
- Diagrams illustrating the proposed SCADA network.
- Project schedule for review and acceptance by the City.
- Installation and cut over plan.

TESCO shall also perform field integration of the new system including startup, testing, and commissioning for a turn-key upgrade of the existing SCADA system. This shall include demonstration testing and system training prior to the City's final acceptance.

TESCO Professional Services to Include:

Project Management: - Project coordination and scheduling

Project Engineering:

- ☐ Develop system diagram / communication overview diagram

- Develop submittals, project schedule, system cut over plan
- Develop factory and field test schedules, training schedule, and O&M's

SCADA Configuration:

- Setup and installation of upgraded and new software packages including Microsoft, Wonderware, OPC, and client access licenses
- Import existing SCADA database, graphics, trends, setpoints, alarms, etc.
- Modify/Reconfigure Front End Processors/Gateways at both server locations
- Perform factory test
- Perform on site implementation, installation, and setup
- Perform startup, operational test, and SCADA training

Network & Telemetry: setup and configuration of SCADA network devices, including firewall, router, and switches.

As part of TESCO's established standards, they will partner with The City of Morgan Hill to include the following base procedures to address some of the most critical aspects of the cybersecurity of your system:

1. Document the installed equipment for tracking purposes and define who within the City will be responsible for the new equipment
2. Apply strict controls to all removable media such as USB ports and CD/DVD drives
3. Disable auto-run at the BIOS & operating system levels (to the extent that the manufacture allows)
4. Update all computer firmware to the latest appropriate versions
5. Secure the configurations, enable security logging, and track all remote access to the system
6. Install the latest approved patches for the operating system and all installed software packages
7. Disable unnecessary operating system services to minimize known vulnerabilities
8. Limit the use of administrator rights to the extent necessary on all operating systems
9. Configure operating system security through the use of a Domain Controller installed within a virtual machine for the SCADA application and supporting software modules (to the extent that the manufacture allows)
10. Change all default passwords on all hardware and software to strong managed passwords (to the extent that the manufacture allows)
11. Configure auto-logout within all SCADA application software (system becomes view only)
12. Configure auto-lockout (after three failed login attempts) on all operating systems and networking equipment (provided by TESCO) to the extent that the manufacture allows
13. Clock synchronization on all devices (provided by TESCO) by utilization of a network time server so that all timestamps within the various event and security logs are synchronized (to the extent that the manufacture allows)
14. Enable security logging on all equipment that we provide and restrict access to configuration settings and security settings (to the extent that the manufacture allows)
15. Follow strict internal change management policies and procedures to ensure that any changes to hardware or software are documented to ensure that the control system is protected against improper modifications prior to and during commissioning

16. Perform verification of industrial grade remote access device to ensure that all physical access to the device is tightly controlled (to the extent that the manufacture allows)

- a. Implement a default deny all rule
 - b. Implement egress filters where there is no need for outbound traffic (block internet access for staff)
 - c. Enable and monitor firewall logs to look for anomalous traffic
17. Utilize the existing VPN appliance for remote access to the control system
- a. Change the TCP port numbers for well-known remote access protocols from their defaults
 - b. Configure VPN such that split tunneling is not allowed
 - c. Monitor and log all remote access sessions
 - d. Require the use of strong passwords
18. Implement secure backup procedures to ensure that the City of Morgan Hill can recover their systems completely should there ever be a security breach
19. Create comprehensive software and configuration backups and securely store them at TESCO
20. Provide a confidentiality agreement and a Service Level Agreement with TESCO that provides 24/7/365 availability of TESCO resources in the event of an emergency

EXHIBIT B
SCHEDULE OF COMPENSATION RATES

Item	Description
1	TESCO Professional Services to Include: ▪ Project Management: - Project coordination and scheduling ▪ Project Engineering: ▪ Develop system diagram / communication overview diagram ▪ Develop submittals, project schedule, system cut over plan ▪ Develop factory and field test schedules, training schedule, and O&M's ▪ SCADA Configuration: ▪ Setup and installation of upgraded and new software packages including Microsoft, Wonderware, OPC, and client access licenses ▪ Import existing SCADA database, graphics, trends, setpoints, alarms, etc. ▪ Modify/Reconfigure Front End Processors/Gateways at both server locations ▪ Perform factory test ▪ Perform on site implementation, installation, and setup ▪ Perform startup, operational test, and SCADA training Network & Telemetry: setup and configuration of SCADA network devices, including firewall, router, and switches
TOTAL FOR ITEM 1: \$87,090.00	

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

All work shall be scheduled with City Utilities staff and be completed by the termination date of this agreement.

Attachment: TESCO Agreement [Revision 1] (3201 : Approve SCADA Integration Consulting Services)

DRAFT



Meeting Minutes City Council

Rich Constantine - Mayor
John McKay - Mayor Pro Tem
Gino Borgioli - Council Member
Yvonne Martinez Beltran - Council Member
Rene Spring - Council Member

Wednesday, October 6, 2021 6:00 pm

Virtual Meeting

SPECIAL/REGULAR MEETING

A special meeting of the City Council was called at 6:00 p.m. for the purpose of conducting a Closed Session.

6:00 p.m. Closed Session

7:00 p.m. Regular Meeting

SPECIAL MEETING

6:00 p.m. Closed Session

CALL TO ORDER

Mayor Constantine called the meeting to order at 6:01 p.m.

ROLL CALL ATTENDANCE

City Clerk Michelle Bigelow called the roll.

Attendee Name	Title	Status	Arrived
Rich Constantine	Mayor	Remote	
John McKay	Mayor Pro Tem	Remote	
Gino Borgioli	Council Member	Remote	

Minutes Acceptance: Minutes of Oct 6, 2021 6:00 PM (CONSENT CALENDAR)

Yvonne Martinez Beltran	Council Member	Late	
Rene Spring	Council Member	Remote	

DECLARATION OF POSTING AGENDA

City Clerk Michelle Bigelow declared the posting of the agenda.

CLOSED SESSION

City Attorney Donald Larkin announced the closed session item.

OPPORTUNITY FOR PUBLIC COMMENT

Public comment opened at 6:03 p.m. There being no requests to speak, public comment closed.

ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session 6:04 p.m.

CONFERENCE WITH LABOR NEGOTIATORS

Authority:	Pursuant to Government Code Section 54957.6
City Negotiators:	Christina Turner, City Manager; Donald Larkin, City Attorney; Michael Horta, Human Resources Director; Dat Nguyen, Finance Director
Employee Organization:	Morgan Hill Police Officers Association Employees Covered under Management Resolution #21-025 AFSCME Local 101 Morgan Hill Community Service Officers Association

REGULAR MEETING

7:00 p.m.

The regular meeting was convened at 7:10 p.m.

RECOGNITIONS

Morgan Hill Hospitality and Tourism Industry
Madrone Channel Trail Completion

PROCLAMATIONS

Proclaiming October 6, 2021 as Clean Air Day

Proclaiming September 15, 2021-October 15, 2021 as Latinx Heritage Month

CITY COUNCIL REPORTS

Council Member Martinez Beltran reported that the Silicon Valley Clean Energy (SVCE) Board met in August and September. They approved their annual budget, strategic focus areas, a 2020 green energy

attestation, and a two-year employment contract for the CEO. She shared that the Latino Caucus celebrated 30 years at the League Conference. She announced that Sister Cities has planned a trip to Turkey next October. She concluded by sharing the local events and celebrations she has attended.

CITY MANAGER'S REPORT

City Manager Christina Turner spoke to the evening's supplements and presentations. She introduced and acknowledged the City's new, promoted, and retired teammates. She announced that effective Monday, October 4th, City Hall fully reopened and is open to the public Monday through Friday, 8:00 a.m. to 5:00 p.m. She shared that staff is recommending Council adopt a resolution to continue holding City Council and Commission meetings by teleconference as to not encourage indoor gatherings and limit the risk of COVID-19 exposure. Assembly Bill (AB) 361, which became operative on October 1, 2021, allows for this arrangement. In the meantime, we are working on technology to allow for hybrid meetings that would allow in-person and Zoom participation. This way, members of the public who are at high risk for COVID-19 could still participate even when we return to in-person meetings. She shared that on Saturday, September 25, the Rotary Club continued their work improving Galvan Park. At this cleanup day Rotary partnered with youth from the Boys and Girls Club to increase the impact. The group repainted tables, waste receptacles, and BBQ pits, spread mulch and picked up litter throughout the park. The Rotary Club formally adopted Galvan Park earlier this year and has held multiple workdays and funded tens of thousands of dollars in park improvements. She announced that Redistricting is happening now, there are multiple meetings in October and November, and we want the engagement of our community to help redraw the maps. She concluded by announcing the Morgan Hill Steve Tate Library Dedication and Children's Area Expansion Celebration is happening on Saturday, October 9th at 10:30 a.m.

CITY MANAGER'S TEAMMATE RECOGNITION PRESENTATION

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin announced that there was no reportable action from the two closed session items from the September 1, 2021 City Council meeting. Prior to this evening's meeting, Council met in closed session and there is no reportable action from that closed session.

OTHER REPORTS

None.

PUBLIC COMMENT

Public comment opened at 7:34 p.m. The following people were called to speak:

Marisol Palomares

Dave Matthews

There being no further requests to speak, public comment closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Rene Spring, Council Member
SECONDER:	John McKay, Mayor Pro Tem
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

CONSENT CALENDAR

MOTION:

Approving consent calendar items 1, 2, and 6.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Gino Borgioli, Council Member
SECONDER:	Yvonne Martinez Beltran, Council Member
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

1. ADOPT RESOLUTION DETERMINING THAT CONDUCTION OF IN-PERSON MEETINGS WOULD PRESENT A PUBLIC HEALTH RISK AND CONTINUING TELECONFERENCE MEETINGS

Recommendation:

Adopt a resolution to continue holding City Council and commission meetings by teleconference.

Public comment opened at 7:45 p.m.

Joe Baranowski

Dave Matthews

There being no further requests to speak, public comment closed.

2. ADOPT RESOLUTION AUTHORIZING PARTICIPATION IN THE CALPERS CALIFORNIA EMPLOYER'S RETIREE BENEFIT SECTION 115 TRUST (CERBT) PROGRAM FOR FUNDING OTHER POST-EMPLOYMENT BENEFIT (OPEB) AS AN ALTERNATIVE TO THE PUBLIC AGENCY RETIREMENT SERVICES (PARS) SECTION 115 TRUST FUND

Recommendation:

1. Authorize participation in the CalPERS CERBT program;
2. Adopt resolution delegating authority to request disbursements from the CERBT program; and
3. Terminate the PARS agreement for OPEB Section 115 Trust Fund.

3. ITEM PULLED FOR DISCUSSION

4. ITEM PULLED FOR DISCUSSION

5. ITEM PULLED FOR DISCUSSION

6. APPROVE THE AUGUST 18, 2021 MEETING MINUTES

Recommendation:

Approve Minutes.

ITEMS PULLED FOR DISCUSSION

3. APPROVE LEASE AGREEMENT FOR COMMUNITY AND CULTURAL CENTER BUILDING 2 TO UPLIFT FAMILY SERVICES

Recommendation:

Authorize the City Manager to execute and administer a lease agreement with Uplift Family Services for Building 2 (17060 Monterey Road) at the Community and Cultural Center.

Public Services Director Chris Ghione provided a report. He introduced Don Taylor with Uplift who provided a presentation. Police Chief Shane Palsgrove wrapped up the presentation.

Public comment opened at 8:08 p.m.

Armando Benavides was called to speak.

There being no further request to speak, public comment closed.

MOTION:

Approving the recommended action.

RESULT:	AUTHORIZED [UNANIMOUS]
MOVER:	Rene Spring, Council Member
SECONDER:	Gino Borgioli, Council Member
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

4. ACCEPT ANNUAL REPORTS OF ACTIVITIES BY NONPROFIT PARTNER ORGANIZATIONS

Recommendation:

Accept annual reports from City partner organizations.

Public Services Director Chris Ghione provided a report.

Public comment opened at 8:23 p.m. There being no requests to speak, public comment closed.

MOTION:

Approving the recommended actions.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Yvonne Martinez Beltran, Council Member
SECONDER:	Gino Borgioli, Council Member
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

5. APPROVE MURAL AT GALVAN PARK FRIENDLY INN BUILDING

Recommendation:

Approve Galvan Park Mural.

Public Services Director Chris Ghione provide a report.

Public comment opened at 8:49 p.m. The following people were called the speak:

Jessica Arciga

Armando Benavides

There being no further requests to speak, public comment closed.

MOTION:

Approving the recommended action for the most updated version of the mural until another proposal is accepted.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Yvonne Martinez Beltran, Council Member
SECONDER:	Rene Spring, Council Member
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

The meeting recessed at 9:11 p.m. and reconvened at 9:21 p.m.

PUBLIC HEARING

7. CONDUCT TAX AND EQUITY FISCAL RESPONSIBILITY ACT (TEFRA) HEARING APPROVING ISSUANCE OF BONDS FOR DEPOT COMMONS AFFORDABLE HOUSING APARTMENTS AT 17145 DEPOT STREET AND THE WILLOWS AFFORDABLE HOUSING APARTMENTS AT 50 W. EDMUNDSON AVENUE WITHIN THE CITY OF MORGAN HILL

Recommendation:

1. Open/close public hearing consistent with the requirements of the Federal Tax and Equity Fiscal Responsibility Act ("TEFRA") and Section 147 (f) of the Internal Revenue Code of 1986, as amended (the "Code"); and
2. Adopt resolution approving the issuance of bonds by the California Municipal Finance Authority (CMFA), for the acquisition, rehabilitation, expansion, and improvement of two multifamily rental housing facilities: Depot Commons, located at 17145 Depot Street and The Willows, located at 50 W. Edmundson Avenue.

Housing Director Rebecca Garcia provided a report and presentation.

The public hearing opened at 9:25 p.m. There being no requests to speak, the public hearing closed.

MOTION:

Approving the recommended actions.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Yvonne Martinez Beltran, Council Member
SECONDER:	John McKay, Mayor Pro Tem
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

OTHER BUSINESS

8. APPROVE AGREEMENT WITH FLOCK SAFETY CAMERAS FOR AUTOMATED LICENSE PLATE READERS

Recommendation:

Authorize the City Manager to execute and administer the lease agreement with Flock Safety for 25 Automated License Plate Readers for the initial term of 24 months with a cost of \$68,7500 for the first year and \$62,500 for the second year.

Police Captain Mario Ramirez provided a report and presentation. Captain Ramirez and John Anderson with Flock Safety answered questions.

Public comment opened at 10:09 p.m.

Brian Sullivan was called to speak.

There being no further requests to speak, public comment closed.

MOTION:

Approving the recommended action.

RESULT: **APPROVED [UNANIMOUS]**
MOVER: John McKay, Mayor Pro Tem
SECONDER: Gino Borgioli, Council Member
AYES: Constantine, McKay, Borgioli, Martinez Beltran, Spring

9. ACCEPT MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT (MHTBID) OWNER'S ASSOCIATION ANNUAL REPORT (DBA VISIT MORGAN HILL)

Recommendation:

Accept and file the Visit Morgan Hill Annual Report.

Assistant City Manager for Development Services Edith Ramirez introduced Krista Rupp, Executive Director of Visit Morgan Hill who provided a report and presentation.

Public comment opened at 10:40 p.m. There being no requests to speak, public comment closed.

RESULT: **REPORT RECEIVED**

10. ADOPT THE 2020 URBAN WATER MANAGEMENT AND WATER SHORTAGE CONTINGENCY PLANS

Recommendation:

Adopt the 2020 Urban Water Management Plan and 2020 Water Shortage Contingency Plan.

Deputy Director for Utility Services James Sylvain provided a report and presentation.

Public comment opened at 10:55 p.m. There being no requests to speak, public comment closed.

MOTION:

Approving the recommended action.

RESULT: **ADOPTED [UNANIMOUS]**
MOVER: Rich Constantine, Mayor
SECONDER: Rene Spring, Council Member
AYES: Constantine, McKay, Borgioli, Martinez Beltran, Spring

FUTURE COUNCIL INITIATED AGENDA ITEMS

Council Member Martinez Beltran requested 1) a policy process for camera requests from public, 2) that art at Galvan Park be included in the LCAC work plan, and 3) requested a review of art installation policy.

Mayor Pro Tem McKay requested that staff elevate discussion around how we complete bicycle path connections in our community.

Council Member Spring asked the Chief to come back with a report with the state of the Police Department, sharing data regarding how it's going with staff, and an update on Flock cameras.

Council Member Borgioli would like to follow up on his request to look into making the Downtown a district.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:59 p.m.

MINUTES PREPARED BY:

Michelle Bigelow, City Clerk

DRAFT



Meeting Minutes City Council

Rich Constantine - Mayor
John McKay - Mayor Pro Tem
Gino Borgioli - Council Member
Yvonne Martinez Beltran - Council Member
Rene Spring - Council Member

Wednesday, October 20, 2021 6:00 pm

Virtual Meeting

SPECIAL/REGULAR MEETING

A special meeting of the City Council was called at 6:00 p.m. for the purpose of conducting a closed session.

6:00 p.m. Closed Session

7:00 p.m. Regular Meeting

SPECIAL MEETING

6:00 p.m. Closed Session

CALL TO ORDER

Mayor Pro Tem McKay called the meeting to order at 6:00 p.m.

ROLL CALL ATTENDANCE

City Clerk Michelle Bigelow called the roll.

Attendee Name	Title	Status	Arrived
Rich Constantine	Mayor	Late	
John McKay	Mayor Pro Tem	Remote	
Gino Borgioli	Council Member	Remote	

Minutes Acceptance: Minutes of Oct 20, 2021 6:00 PM (CONSENT CALENDAR)

Yvonne Martinez Beltran	Council Member	Remote	
Rene Spring	Council Member	Remote	

DECLARATION OF POSTING AGENDA

City Clerk Michelle Bigelow declared the posting of the agenda.

CLOSED SESSION

City Attorney Donald Larkin announced the closed session.

OPPORTUNITY FOR PUBLIC COMMENT

Public comment opened at 6:02 p.m.

There being no requests to speak, public comment closed.

ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session at 6:02 p.m.

CONFERENCE WITH LABOR NEGOTIATOR

Authority: Pursuant to Government Code Section 54957.6

City Negotiators: Christina Turner, City Manager; Donald Larkin, City Attorney;
Michael Horta, Human Resources Director; Dat Nguyen, Finance
Director

Employee Organization: Morgan Hill Police Officers Association
Employees Covered under Management Resolution #21-025
AFSCME Local 101 Morgan Hill
Community Service Officers Association

REGULAR MEETING

7:00 p.m.

The regular meeting was called to order at 7:05 p.m.

PRESENTATIONS

YAC Members Agnes William, Ariav Misra, and Alexander Nguyen provided the presentation.

YAC PRESENTATION- ASSET #10- SAFETY

RECOGNITION

Recognition of Rotary Club and Youth Volunteers for Galvan Park Cleanup.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Rene Spring, Council Member
SECONDER:	Gino Borgioli, Council Member
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

PUBLIC HEARING (TO BE HEARD AT 7:30 P.M.)

1. RECEIVE UPDATED CENSUS DATA AND MAPPING TOOLS FOR THE CITY COUNCIL REDISTRICTING PROCESS

Recommendation:

Open and close the public hearing.

Council Services Assistant Angie Gonzalez provided the report. She turned the presentation over to Dr. Justin Levitt with National Demographics Corporation to provide the updated census data and demonstrate the mapping tools.

The public hearing opened at 8:20 p.m. The following people were called to speak:

Sharon Luna

Armando Benavides

Sally Casas

There being no further requests to speak, the public hearing closed.

RESULT:	REPORT RECEIVED
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CITY COUNCIL REPORTS

Council Member Spring spoke regarding his work on South County Regional Wastewater Authority Board (SCRWA). He shared that the Santa Clara Valley Habitat Agency was successful in preserving the Tilton Ranch in perpetuity as open space. He shared that the flood control work throughout Morgan Hill is in progress and hopefully in future years our residents and businesses will not experience flooding. He encouraged the community to look into both the Flood Control and Hale Avenue Extension Projects. He concluded by sharing that he recently attended some great community events and appreciates all of the folks who put those events on.

CITY MANAGER'S REPORT

City Manager Christina Turner provided a COVID update. As of today, 84.9% of County residents over age 12 have been vaccinated. We remain in the substantial transmission tier. She reminded the community that water use restrictions change on November 1, 2021, with watering or irrigation of lawns, landscape, or other vegetation areas limited to no more than one day per week.

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin shared that there was no reportable action from the closed session item that took place earlier in the meeting.

OTHER REPORTS

Council Member Borgioli shared that last week, he attended the Valley Transportation Authority (VTA) bus Route 568 ribbon cutting and thanked Mayor Constantine for his efforts to get this project going.

Mayor Constantine recognized our partners in Gilroy who also worked very hard in getting the 568 bus route project going.

PUBLIC COMMENT

Public comment for items not on the agenda opened at 8:34 p.m.

Sharon Luna was called to speak.

There being no further requests to speak, public comment closed.

CONSENT CALENDAR

MOTION:

Approving consent calendar items 2 through 5.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	John McKay, Mayor Pro Tem
SECONDER:	Yvonne Martinez Beltran, Council Member
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

2. ADOPT COUNCIL POLICY FOR CITY MANAGER AUTHORITY TO NEGOTIATE ACCRUAL RATES AND/OR ESTABLISH A LEAVE BANK FOR NEW EMPLOYEES

Recommendation:

Adopt Council Policy providing City Manager authority to negotiate accrual rates for Vacation Leave and/or establish a leave bank with new employees for Vacation and/or Sick Leave.

3. APPROVE FOURTH AMENDMENT TO BRIGHTVIEW LANDSCAPE SERVICES, INC., GROUPS 1, 3, AND 6 MAINTENANCE SERVICE AGREEMENT

Recommendation:

1. Determine that competitive bids upon notice would not likely result in a lower price to the City from a responsible bidder or would cause unnecessary expense or delay under the circumstances per Section 3.04.150 (1) of the Morgan Hill Municipal Code; and
2. Approve and authorize the City Manager to execute and administer the fourth amendment to the maintenance service agreement with Brightview Landscape Services, Inc., extending the agreement for one additional year of service at \$137,309 and increasing the total contract amount to \$665,567.

4. APPROVE CALTRANS DISADVANTAGED BUSINESS ENTERPRISE (DBE) IMPLEMENTATION AGREEMENT IN ASSOCIATION WITH THE EAST DUNNE AVENUE PAVEMENT REHABILITATION PROJECT

Recommendation:

Authorize the City Manager to execute and administer the Disadvantaged Business Enterprise (DBE) Implementation Agreement with the California Department of Transportation (Caltrans), subject to City Attorney review.

5. APPROVE THE SEPTEMBER 1, 2021 MEETING MINUTES

Recommendation:

Approve Minutes.

OTHER BUSINESS

6. APPROVE ONE-TIME AMERICAN RESCUE PLAN ACT (ARPA) COMMUNITY FUNDING REQUESTS

Recommendation:

Approve recommended funding requests for one-time ARPA funding to nonprofit organizations serving the residents and businesses of Morgan Hill.

Public Services Administrative Manager Mariah Dabel provided the report and presentation.

Public comment opened at 9:12 p.m. The following people were called to speak:

Armando Benavides

Perla Flores, on behalf of Community Solutions

Nick Gaich, on behalf of the Morgan Hill Community Foundation

Heidi Golden, on behalf of the Morgan Hill Grange

Rabbi Mendel Liberow

Sally Casas

Jose Martinez Saldana, on behalf of the Youth Alliance

Tanya Sanchez

Carol Lillig, on behalf of St. Vincent DePaul

There being no further requests to speak, public comment closed.

MOTION:

Approving the recommended action with the addition of fully funding the Grange by increasing their funding by \$3,620 and awarding \$10,000 to the Morgan Hill Community Foundation.

RESULT:	MOTION FAILED [2 TO 3]
MOVER:	Gino Borgioli, Council Member
SECONDER:	John McKay, Mayor Pro Tem
AYES:	McKay, Borgioli
NAYS:	Constantine, Martinez Beltran, Spring

MOTION:

Approving the recommended action.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Rene Spring, Council Member
SECONDER:	Yvonne Martinez Beltran, Council Member
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

The meeting recessed at 10:00 p.m. and reconvened at 10:05 p.m.

7. RECEIVE ECONOMIC DEVELOPMENT AND BUSINESS RECOVERY UPDATE

Recommendation:

Accept staff report and provide direction regarding the continuation of the AI Fresco Program through December 31, 2022.

Economic Development Director Matt Mahood provided the presentation and report.

MOTION:

Extending the meeting to 11:30 p.m.

RESULT:	EXTENDED [UNANIMOUS]
MOVER:	Rich Constantine, Mayor
SECONDER:	John McKay, Mayor Pro Tem
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

Public comment opened at 11:14 p.m. The following people were called to speak:

Joe Baranowski

Armando Benavides

There being no further requests to speak, public comment closed.

Council provided direction to staff.

8. RECEIVE MONTHLY BUDGET UPDATE; SEPTEMBER 2021 FINANCIAL AND INVESTMENT REPORTS; AND CITY MANAGER AUTHORITY REPORT

Recommendation:

Accept and file report.

MOTION:

Continuing Item 8 to a future meeting.

RESULT:	CONTINUED [4 TO 1]
MOVER:	Rich Constantine, Mayor
SECONDER:	Yvonne Martinez Beltran, Council Member
AYES:	Constantine, McKay, Borgioli, Martinez Beltran
NAYS:	Spring

FUTURE COUNCIL INITIATED AGENDA ITEMS

Council Member Martinez Beltran asked that the parklet policy come back to City Council.

Mayor Pro Tem McKay would like to look into what it would take to complete the bicycle trails network in the short term.

ADJOURNMENT

There being no further business the meeting adjourned at 11:30 p.m.

MINUTES PREPARED BY:

Michelle Bigelow, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: November 3, 2021

PREPARED BY: Cynthia Iwanaga, Management Analyst
APPROVED BY: City Manager

AWARD COMMUNITY AND CULTURAL CENTER AND CENTENNIAL RECREATION CENTER SENIOR CENTER FLOORING PROJECT TO BT MANCINI COMPANY, INC.

RECOMMENDATION(S)

1. Award contract to BT Mancini Company, Inc. in the amount of \$63,497 for the Community and Cultural Center and Centennial Recreation Center Senior Center Flooring Replacement Project;
2. Authorize the expenditure of 10% contingency funds not to exceed \$6,349; and
3. Authorize the City Manager to execute and administer that certain contract with BT Mancini Company, Inc.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

2020-2021 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

The purpose of this item is to provide the City Council with an opportunity to consider the award of a contract to BT Mancini Company, Inc. in the amount of \$63,497 with a 10% contingency amount of \$6,349 for a total authorization of \$69,846. The scope of work for this Community and Cultural Center (CCC), and Centennial Recreation Center (CRC) Senior Center Flooring Replacement project ("Project") includes all labor and material necessary to remove and replace the flooring in the CCC hallways and Hiram Morgan Hill Room dance floor and the CRC Senior Center offices. The CCC hallway carpet and the Hiram Morgan Hill Room dance floor has not been replaced since the CCC opened in December 2002. The carpet in the Senior Center offices has not been replaced since the facility opened in October 2006. Replacement of the Aquatics Center (AC) office carpeting was part of the scope of work but the City removed it from the recommended scope of work due to budgetary reasons.

The Invitation to Bid was released on September 10, 2021 and two (2) bids were received on October 8, 2021. In soliciting bids for this project, the City advertised in the Morgan Hill Times on September 10, 2021. The bids were also posted on the City website and on two online bid services, Public Purchase and the Online Plan Service, whose subscribers include multiple Northern California Builders' Exchanges. Bid documents were also sent directly to the County of Santa Clara Builders' Exchange.

On October 8, 2021, two (2) bids were received from the following contractors:

Bidder's Name	Bid Amount
BT Mancini Company, Inc.	\$63,497
G & S Carpet, Inc.	Non-responsive

The bid amount reflects the bid amount minus the AC scope of work. G & S Carpet Inc.'s bid was deemed non-responsive because their bid documents were incomplete.

Staff recommends that the City Council award the contract to BT Mancini Company, Inc. and authorize the City Manager to execute and administer the agreement (Attachment 1).

COMMUNITY ENGAGEMENT: Inform

Before and during the flooring replacement project, signs will be posted at the Community and Cultural Center and the CRC Senior Center informing customers of the upcoming project and days that the facility will be closed. The flooring replacement at the Community and Cultural Center will be scheduled for the last week of December, when the facility is closed or operating at minimal hours. The CRC Senior Center carpet replacement is anticipated to occur in January. Welcome Desk staff at both facilities will be kept fully informed of the construction schedule, so that they can keep their customers up to date on the project. The project status will also be communicated weekly through the City's Scoop e-newsletter.

ALTERNATIVE ACTIONS:

The City Council could decide not to approve this project. Postponing this work is not recommended due to the age and condition of the original flooring.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Council has not previously taken action on this item.

FISCAL AND RESOURCE IMPACT:

If approved, the total funding authorization for this agreement will be \$69,846, which includes the contract amount of \$63,497 and a 10% contingency. The contingency will support completing the project within the anticipated project schedule ensuring the best customer service. This project has been programmed in FY 2021-22, Building Replacement Fund 741.

CEQA (California Environmental Quality Act): Categorical Exemption

The activities described in this staff report are categorically exempt under CEQA, specifically pursuant to Section 15301(c) of the CEQA Guidelines (Existing Facilities), as the subject work involves the repair, maintenance or minor alteration of existing City facilities involving negligible or no expansion of use of those facilities.

LINKS/ATTACHMENTS:

1. BT Mancini Co Inc. CONTRACT

CONTRACT

This public works contract ("Contract") is entered into by and between the City of Morgan Hill ("City") and B.T. Mancini Company, Inc. ("Contractor") for work on the Community and Cultural Center (CCC) and Centennial Recreation Center (CRC) Senior Center Flooring Project ("Project").

The parties agree as follows:

1. **Award of Contract.** In response to the Notice Inviting Informal Bids, Contractor has submitted a Bid Proposal to perform work on the Project, and on _____, 20____, (Contract Date) City authorized award of this Contract to Contractor in the amount specified in paragraph 4 below which reflects the agreement between City and Contractor to remove from the scope of work the carpeting at the Aquatics Center offices.
2. **Contract Documents.** The Contract Documents incorporated into this Contract include and are comprised of all of the following:
 - 2.1 Notice Inviting Informal Bids;
 - 2.2 Instructions to Bidders;
 - 2.3 Addenda, if any;
 - 2.4 Bid Proposal and attachments thereto;
 - 2.5 Contract;
 - 2.6 Payment and Performance Bonds;
 - 2.7 General Conditions;
 - 2.8 Special Conditions;
 - 2.9 Project Drawings and Specifications;
 - 2.10 Change Orders, if any;
 - 2.11 Notice of Award;
 - 2.12 Notice to Proceed;
 - 2.13 And the following:

"No Other Documents"

3. **Contractor's Obligations.** Contractor agrees to perform all of the Work required for the Project, as specified in the Contract Documents. Contractor must provide, furnish, and supply all things necessary and incidental for the timely performance and completion of the Work, including all necessary labor, materials, equipment, transportation, and utilities, unless otherwise specified in the Contract Documents. Contractor must use its best efforts to complete the Work in a professional and expeditious manner and to meet or exceed the performance standards required by the Contract Documents.

4. **Payment.** As full and complete compensation for Contractor's timely performance and completion of the Work in strict accordance with the terms and conditions of the Contract Documents, City will pay Contractor Sixty-Three Thousand Four Hundred Ninety-Seven Dollars (\$63,497) (the "Contract Price"), in accordance with the payment provisions in the General Conditions. The Contract Price includes all applicable federal, state, and local taxes.
5. **Time for Completion.** Contractor will fully complete the Work for the Project within 80 calendar days from the commencement date given in the Notice to Proceed ("Contract Time"), but in no case later than Friday, December 31, 2021 for the Community and Cultural Center scope of work, and Monday, January 17, 2022 for the CRC Senior Center scope of work. By signing below, Contractor expressly waives any claim for delayed early completion.
6. **Liquidated Damages.** If Contractor fails to complete the Work within the Contract Time, City will assess liquidated damages in the amount of Five Hundred Dollars (\$500.00) for each day of unexcused delay in completion, and the Contract Price will be reduced accordingly.
7. **Labor Code Compliance.**
 - 7.1 **General.** This Contract is subject to all applicable requirements of Chapter 1 of Part 7 of Division 2 of the Labor Code, including requirements pertaining to wages, working hours and workers' compensation insurance.
 - 7.2 **Prevailing Wages.** This Project is subject to the prevailing wage requirements applicable to the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the Work, including employer payments for health and welfare, pension, vacation, apprenticeship and similar purposes. Copies of these prevailing rates are available online at <http://www.dir.ca.gov/DLSR>.
 - 7.3 **DIR Registration.** City will not accept a Bid Proposal from or enter into the Contract with a bidder, without proof that the bidder and its Subcontractors are registered with the California Department of Industrial Relations ("DIR") to perform public work under Labor Code Section 1725.5, subject to limited legal exceptions.
8. **Workers' Compensation Certification.** Under Labor Code Section 1861, by signing this Contract, Contractor certifies as follows: "I am aware of the provisions of Labor Code Section 3700 which require every employer to be insured against liability for workers' compensation or to undertake self-

insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work on this Contract.”

9. **Notice.** Any notice required by the Contract Documents must be made in writing, and sent to the other party by personal delivery, U.S. Mail, a reliable overnight delivery service, facsimile, or by email as a PDF (or comparable) file. Notice is deemed effective upon delivery unless otherwise specified. Notice for each party must be given as follows:

City:

City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037
Phone: (409) 779-7259
Attn: City Clerk
Email: michelle.bigelow@morganhill.ca.gov
Copy to: dale.dapp@morganhill.ca.gov

Contractor:

Name: B.T. Mancini Company, Inc.
Address: 876 S. Milpitas Blvd.
City/State/Zip: Milpitas, CA 95035
Phone: (408) 942-7900
Attn: Ed Book, Sales Consultant
Email: ed.book@btmancini.com

10. General Provisions.

- 10.1 Assignment and Successors.** Contractor may not assign its rights or obligations under this Contract, in part or in whole, without City's written consent. This Contract is binding on Contractor's successors and permitted assigns.
- 10.2 Third Party Beneficiaries.** There are no intended third-party beneficiaries to this Contract except as expressly provided in the General Conditions or Special Conditions.
- 10.3 Governing Law and Venue.** This Contract will be governed by California law and venue will be in the Superior Court of Santa Clara County, and no other place.

- 10.4 Amendment.** No amendment or modification of this Contract will be binding unless it is in a writing duly authorized and signed by the parties to this Contract.
- 10.5 Integration; Severability.** This Contract and the Contract Documents incorporated herein, including authorized amendments or Change Orders thereto, constitute the final, complete, and exclusive terms of the agreement between City and Contractor. If any provision of the Contract Documents, or portion of a provision, is determined to be illegal, invalid, or unenforceable, the remaining provisions of the Contract Documents will remain in full force and effect.
- 10.6 Authorization.** Each individual signing below warrants that he or she is authorized to do so by the party that he or she represents, and that this Contract is legally binding on that party. If Contractor is a corporation, signatures from two (2) officers of the corporation are required pursuant to California Corporation Code Section 313.

[Signatures are on the following page.]

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
 (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

The parties agree to this Contract as witnessed by the signatures below:

CITY OF MORGAN HILL:

 Christina J. Turner
 City Manager

Date: _____

Attest:

 Michelle Bigelow
 City Clerk

Date: _____

Approved as to Form:

 Donald A. Larkin
 City Attorney

Date: _____

**CONTRACTOR:
 BT MANCINI COMPANY, INC.**

 Signature

Skip Mancini/President
 Name/Title [print]

Date: 10/20/21

Corporate entities must provide a second signature:

 Signature

Skip Mancini/Chief Financial Officer
 Name/Title [print]

Date: 10/20/21

229210
 Contractor's License Number(s)

10/31/2022
 Expiration Date(s)

Seal:

1000002989
 Contractor's DIR Registration Number(s)

06/30/2022
 Expiration Date

END OF CONTRACT



CITY COUNCIL STAFF REPORT

MEETING DATE: November 3, 2021

PREPARED BY: Dat Nguyen, Finance Director
APPROVED BY: City Manager

RECEIVE MONTHLY BUDGET UPDATE; SEPTEMBER 2021 FINANCIAL AND INVESTMENT REPORTS; AND CITY MANAGER AUTHORITY REPORT

RECOMMENDATION(S)

Accept and file report.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure
Preserving and Cultivating Public Trust

2020-2021 Strategic Priorities

Community Outreach
Engagement and Messaging
Fiscal Sustainability

REPORT NARRATIVE:

As part of the City Council's expectation to maintain a high level of transparency and to be responsible stewards of public funds, staff is providing this monthly budget update, along with the September 2021 financial and investment reports (Attachment 1 and 2).

September 2021 Financial Report

The Revenue and Expense Summary through the first quarter of the fiscal year 2021-22 is included on the first page of the monthly financial report (Attachment 2). Overall, General Fund revenues total \$4.3 million or about 9% of the budget as some of the major revenue categories are received later in the fiscal year. Expenditures, including encumbrances, amounted to \$12.1 million or 25% of the budget.

Budget Update

There has been no material change to the City's revenue since the last budget update to the Council on September 1, 2021, except Recreation Services revenues continue trending below budget. The indoor mask mandate which serves as an important tool to prevent the spread of coronavirus, regardless of vaccination status, is having a negative impact to the membership drive. In addition, facility rental revenue for the year is expected to be minimal compared to prior years. However, staff is hopeful that the net impact won't be significant as staff expects to further implement cost containment strategies to offset the reduction in revenue.

City Manager's Authority Report

Pursuant to the City Council Policy 18-05 – Report on delegation of authority to City Manager, Page 17 of Attachment 2 lists the contracts and or agreements between \$25,000 to \$60,000, or the limit of the California Uniform Public Construction Cost Accounting Act (CUPCCAA), entered into by the City Manager since the last report from August 6, 2021 through October 8, 2021.

COMMUNITY ENGAGEMENT: Inform

Finance staff prepares these financial reports to inform City officials, the Council, the community, and various lenders and stakeholders about the financial health of the organization, which assists each one of the interested parties in making sound financial and investment decisions.

ALTERNATIVE ACTIONS:

No alternative action is recommended, as this is a monthly financial report on City transactions which have already occurred.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council receives and files the financial and investment report for each month. At the September 16, 2015 meeting, City Council recommended monthly financial and investment reports be agendaized under the Consent Agenda, and quarterly financial and investment reports be presented to City Council as an “Other Business” item. Beginning in FY 2020-21, budget reports will be presented to the Council monthly.

FISCAL AND RESOURCE IMPACT:

The preparation of the report is a part of the Finance workplan.

CEQA (California Environmental Quality Act):

Not a Project.

This report is not a project, as defined in Section 15378 of the State CEQA Guidelines. Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

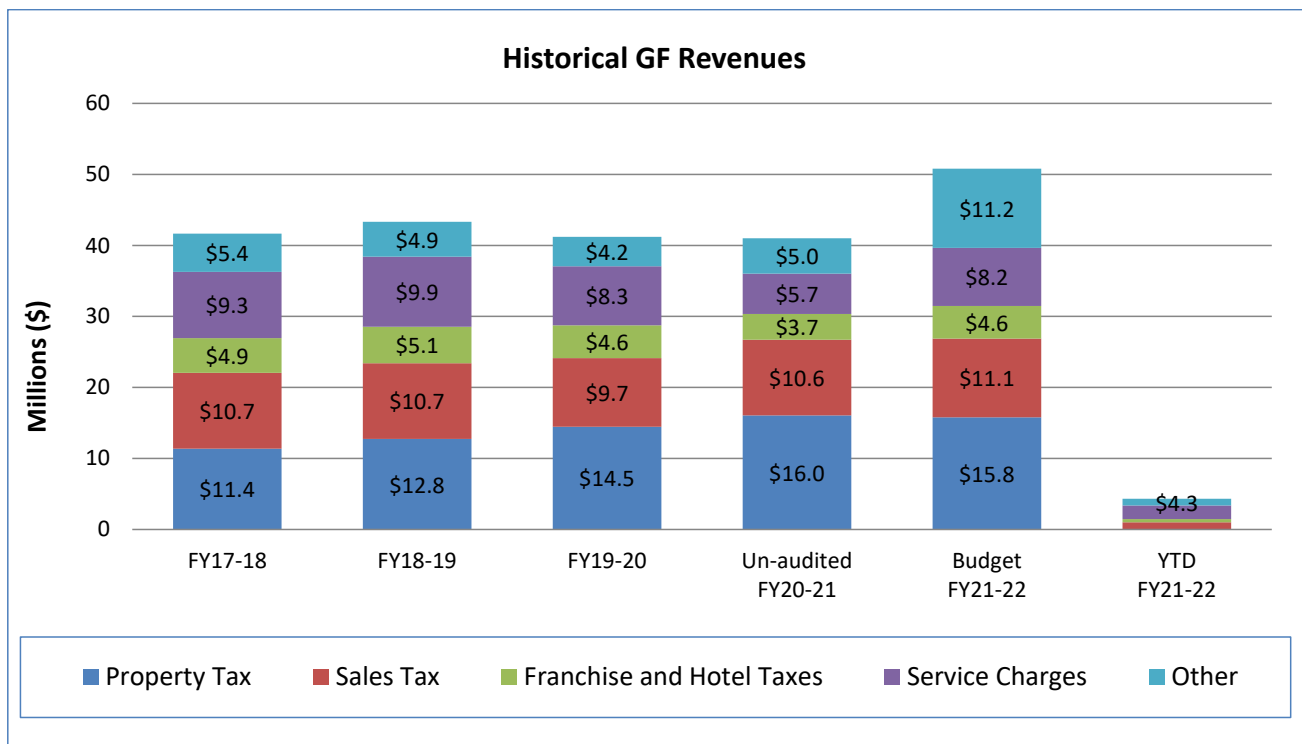
LINKS/ATTACHMENTS:

1. September 2021 Financial Statement Analysis
2. September 2021 Financial and Investment Report
3. 08 Presentation
4. 08 Supplement 1



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2021-22
FOR THE MONTH ENDED SEPTEMBER 2021 – 25% OF YEAR COMPLETE

- General Fund** Revenues through September totaled \$4.3 million, or about 9% of the budgeted revenues as some of the major revenue categories such as property tax are received later in the fiscal year. With respect to the property tax revenue forecast, on August 20, 2021, the Controller-Treasurer's Department of the County of Santa Clara notified the cities and agencies within the County that the State of California Controller's Office agreed with the County's methodology of calculating excess Educational Revenue Augmentation Fund (ERAF), therefore, set aside provision is no longer required. What this means is the City of Morgan Hill is expecting to receive an additional \$650,000 in excess ERAF for FY2021-22. However, the County cautioned cities and agencies in planning and budgeting this source of revenue as future legislation could impact the calculation methodology. The increase in excess ERAF distribution is mainly due to the growth of property tax outpacing the growth of school funding requirement and this revenue stream is becoming a large revenue category for the City in recent years. Morgan Hill begun to receive excess ERAF distribution in FY2013-14 in the amount of \$13,000 and it has grown to about \$1.9 million in last fiscal year FY2020-21. The chart below shows historical General Fund revenues by major revenue category from FY17-18 through FY19-20 Actual, Un-audited FY20-21, FY21-22 Budget, and YTD as of September 30, 2021.



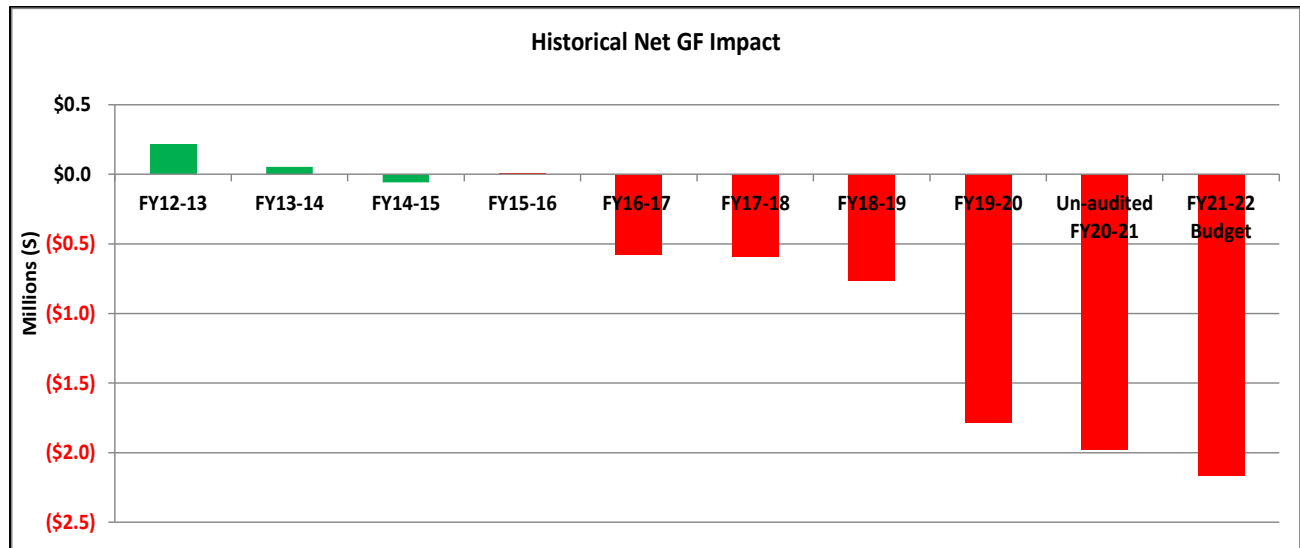
General Fund expenditures and encumbrances as of September 30, 2021 totaled \$12.1 million, of which approximately \$2.3 million is attributable to outstanding encumbrances.

- Community Services** - The Community Services Department's recreation operations, as reflected in the schedule presented on page 4 of the Monthly Financial and Investments Reports, shows a negative impact to the General Fund of approximately \$1.6 million as of September 30, 2021. The large budgeted operating loss for recreation operations reflect the restrictions and limited opening of



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2021-22
FOR THE MONTH ENDED SEPTEMBER 2021 – 25% OF YEAR COMPLETE

recreation facilities since March 2020 due to shelter-in-place order as a result of coronavirus pandemic and continued indoor mask mandate which is having a negative impact to the membership drive.



Due to longstanding governmental accounting and budgeting convention, the City's recreation operations are not charged for indirect costs (known in Morgan Hill as "General Fund Administration") from the central services departments of City Attorney, City Manager, and Administrative Services. The City's other governmental funds, such as Community Development, and the proprietary funds, such as Water and Wastewater, and the Information Services Fund, are assessed such charges through the City's indirect cost allocation plan, prepared in compliance with the Federal government's OMB Circular No. A-87, which mandates certain calculation and cost allocation practices that must be followed in order to qualify for Federal grant funding, but which also represent best practice for non-grant funded City operations like utilities and information services.

- **Development Services Fund** – Revenues through September totaled \$1.2 million. Expenditures, including encumbrances, totaled \$1.3 million. The fund is budgeted at a higher revenue at \$5.3 million compared to recent years actuals primarily due to the anticipated completion of the updated fee study. Staff, with the assistance of the consultant, is in the process of finalizing a fee study to update the current fees which were developed over five years ago and anticipated its completion in the fall or early winter.
- **Debt Service Funds** – Expenditures through September totaled \$3,672. The debt service for the first half of the year includes both interest and principal, while the second half of the year will include interest only. Debt service payments were all scheduled when the bonds were issued, and are budgeted for in the months delineated in the underlying bond documents. The General Fund's portion of the annual debt service payments is approximately \$200,000, less than one percent of the General Fund's budgeted revenues.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2021-22
FOR THE MONTH ENDED SEPTEMBER 2021 – 25% OF YEAR COMPLETE

- **Wastewater Operations** – Revenues from Sewer Operations through September totaled \$2.5 million. Expenditures and outstanding encumbrances totaled \$3.5 million or 25% of the budget. The table below shows historical Sewer Operations revenues and expenditures from FY17-18 through FY19-20 Actual, Un-audited FY20-21, FY21-22 Budget, and YTD as of September 30, 2021.

(amount in millions)	FY17-18	FY18-19	FY19-20	Un-audited FY20-21	Budget FY21-22	YTD FY21-22
Revenues	10.3	11.4	11.9	13.3	14.1	2.5
Expenditures	10.8	11.4	12.3	13.3	14.0	3.5
Operating Margin	(0.5)	-	(0.4)	-	0.1	(1.0)
Operating Margin without Encumbrances	(0.3)	0.4	(0.1)	-	0.1	(0.9)

- **Water Operations** – Water Operations includes Utility Billing, Water Conservation, and Water Operations. Revenues from Water Operations through September totaled \$3.2 million. Water Operations expenditures, including outstanding encumbrances, totaled \$4.2 million through Sept. The table below shows Water Operations revenues and expenditures from FY17-18 through FY19-20 Actual, Un-audited FY20-21, FY21-22 Budget, and YTD as of September 30, 2021.

(amount in millions)	FY17-18	FY18-19	FY19-20	Un-audited FY20-21	Budget FY21-22	YTD FY21-22
Revenues	13.0	14.2	15.3	16.5	16.3	3.2
Expenditures	12.1	14.3	16.4	16.5	16.4	4.2
Operating Margin	0.9	(0.1)	(1.1)	-	(0.1)	(1.0)
Operating Margin without Encumbrances	1.4	0.8	(0.1)	-	(0.1)	(0.2)

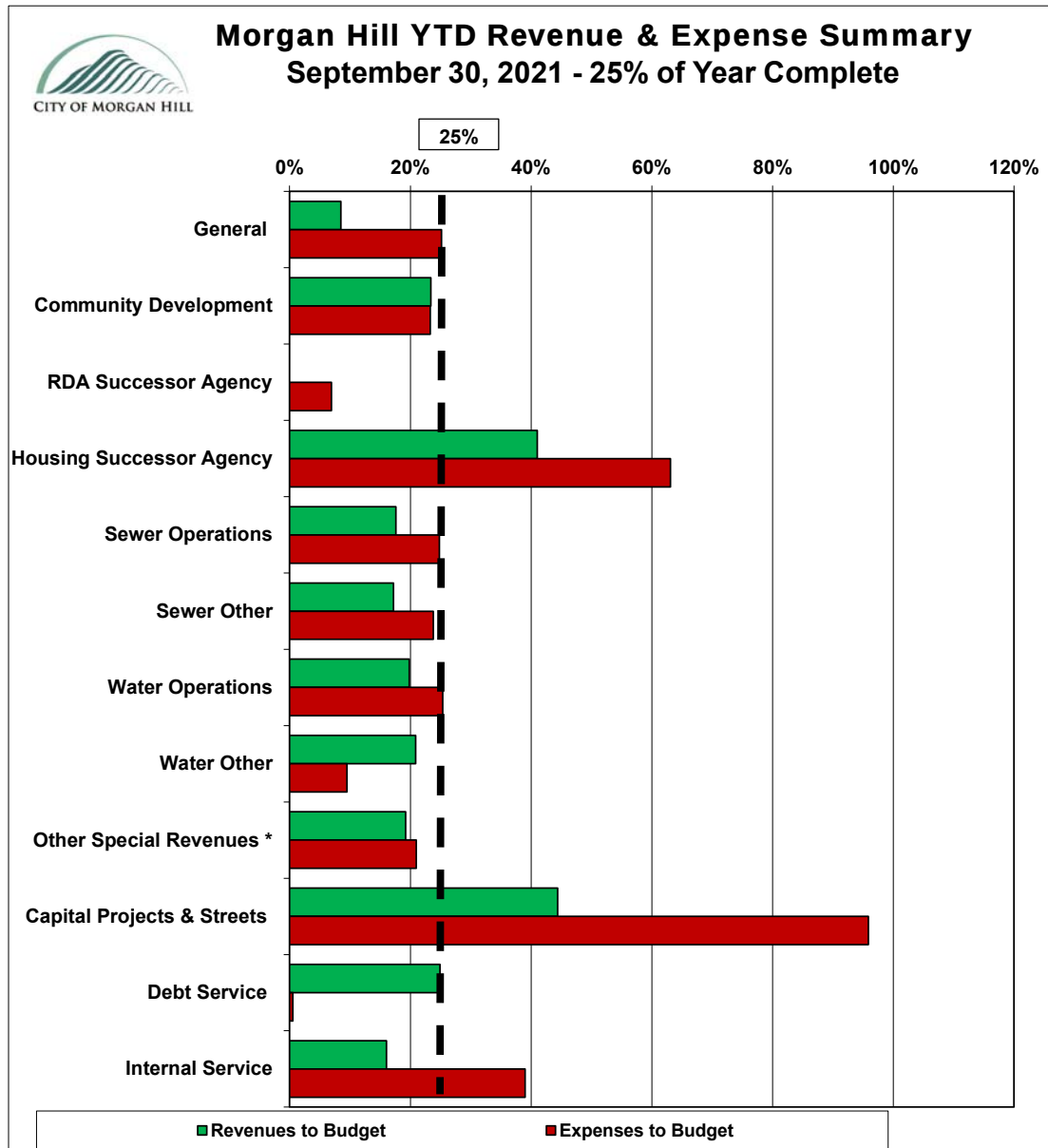
- **Investments** – Three securities were called and six securities were purchased. Total interest earnings received on investments were \$72,000 during the month.

CITY OF MORGAN HILL
Monthly Financial and Investment Reports
September 30, 2021 - 25% of Year Complete



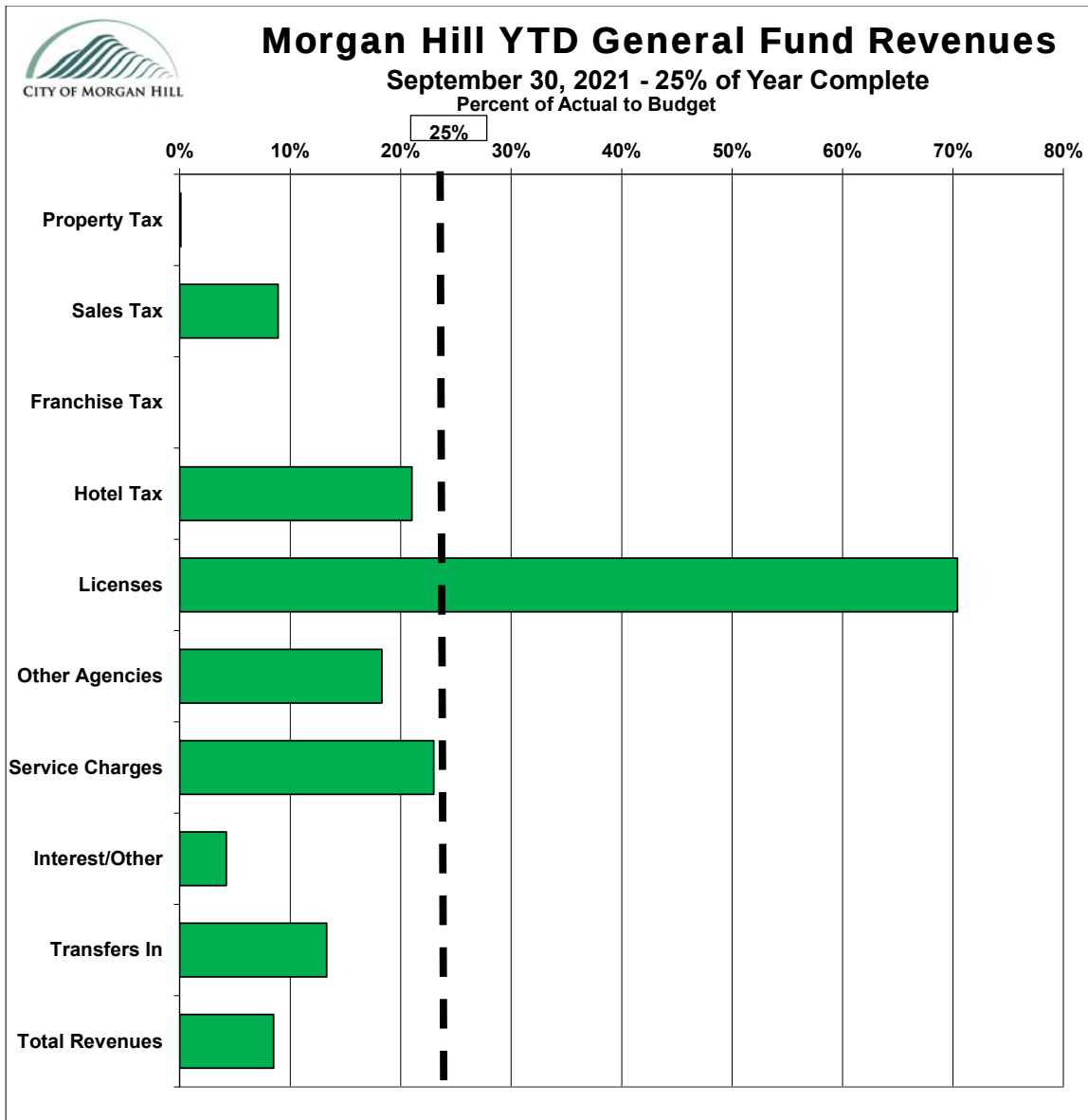
CITY OF MORGAN HILL

Prepared by:
FINANCE DIVISION

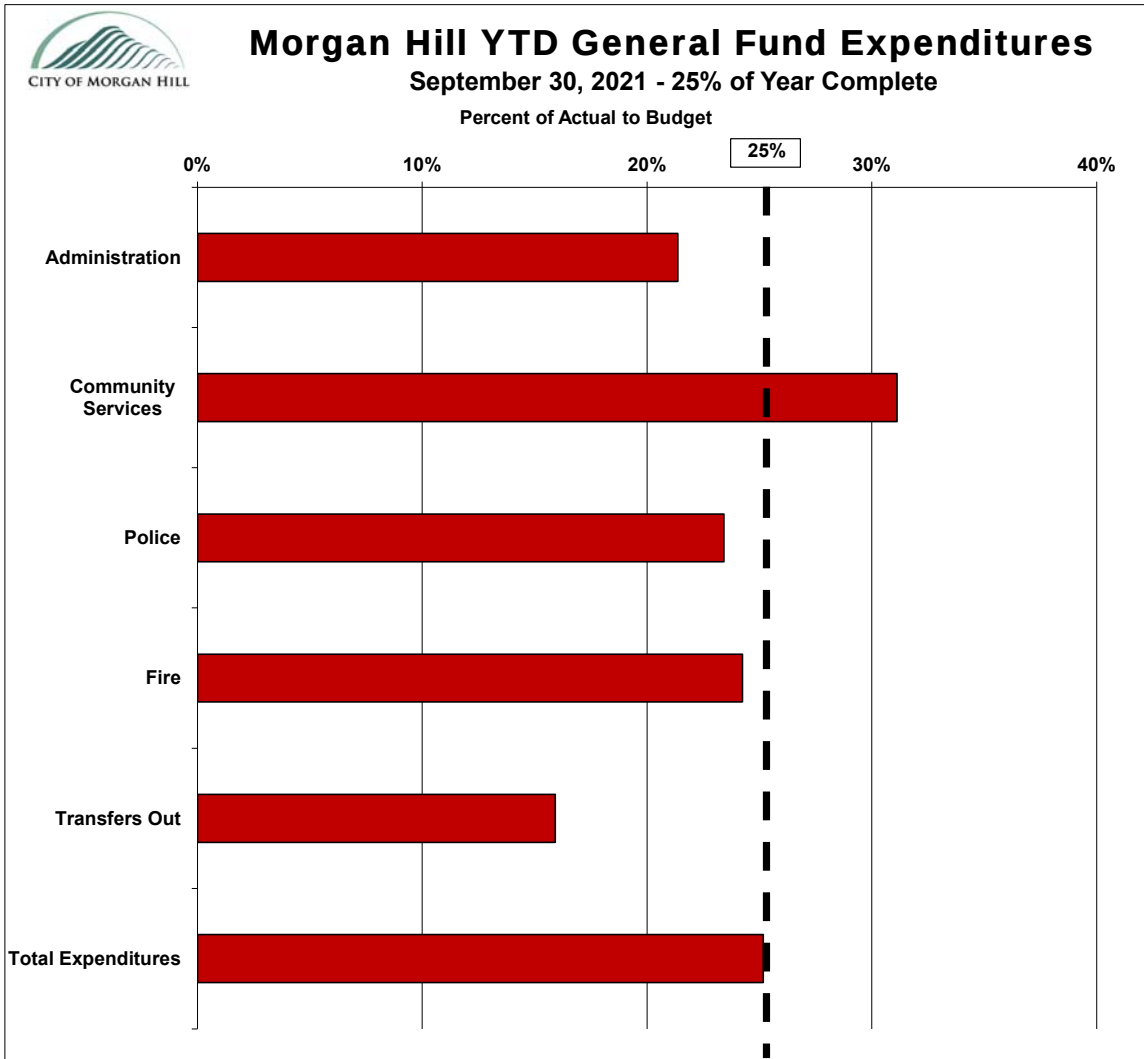


FUND NAME	REVENUES		EXPENSES	
	ACTUAL	% OF BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET
General	\$ 4,320,291	9%	\$ 12,117,468	25%
Community Development	1,237,005	23%	1,292,546	23%
RDA Successor Agency	-	n/a	481,582	7%
Housing Successor Agency	88,349	41%	633,002	63%
Sewer Operations	2,481,035	18%	3,470,923	25%
Sewer Other	2,060,081	17%	6,771,254	24%
Water Operations	3,235,658	20%	4,150,192	25%
Water Other	1,467,779	21%	704,085	9%
Other Special Revenues *	1,039,281	19%	1,013,109	21%
Capital Projects & Streets	7,729,998	44%	31,185,288	96%
Debt Service	172,698	25%	3,672	1%
Internal Service	2,083,349	16%	4,877,242	39%
TOTAL FOR ALL FUNDS	\$ 25,915,524	17%	\$ 66,700,362	38%

* Includes all Special Revenue Funds except Community Development, Street Funds, and RDA and Housing Successor Agencies.



REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
Property Tax	\$ 15,771,000	\$ 15,178	0%	\$ 39,811	-62%
Sales Tax	11,098,601	986,318	9%	857,272	15%
Franchise Tax	2,375,000	-		35	-100%
Hotel Tax	2,235,300	468,312	21%	226,152	107%
Licenses	198,825	139,994	70%	108,234	29%
Other Agencies	653,658	119,812	18%	11,148	975%
Service Charges	8,164,851	1,877,689	23%	1,248,994	50%
Interest/Other	7,230,495	301,913	4%	292,735	3%
Transfers In	3,093,579	411,075	13%	415,963	-1%
TOTAL REVENUES	\$ 50,821,309	\$ 4,320,291	9%	\$ 3,200,342	35%



EXPENDITURE CATEGORY	BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET	PRIOR YTD PLUS ENCUMBRANCES	% CHANGE FROM PRIOR YEAR
Administration	\$ 5,878,826	\$ 1,256,350	21%	\$ 1,127,089	11%
Community Services	13,733,468	4,274,123	31%	3,423,755	25%
Police	19,063,242	4,464,048	23%	4,239,063	5%
Fire	7,388,401	1,791,271	24%	1,916,073	-7%
Transfers Out	2,083,681	331,677	16%	142,791	132%
TOTAL EXPENDITURES	\$ 48,147,618	\$ 12,117,468	25%	\$ 10,848,771	12%

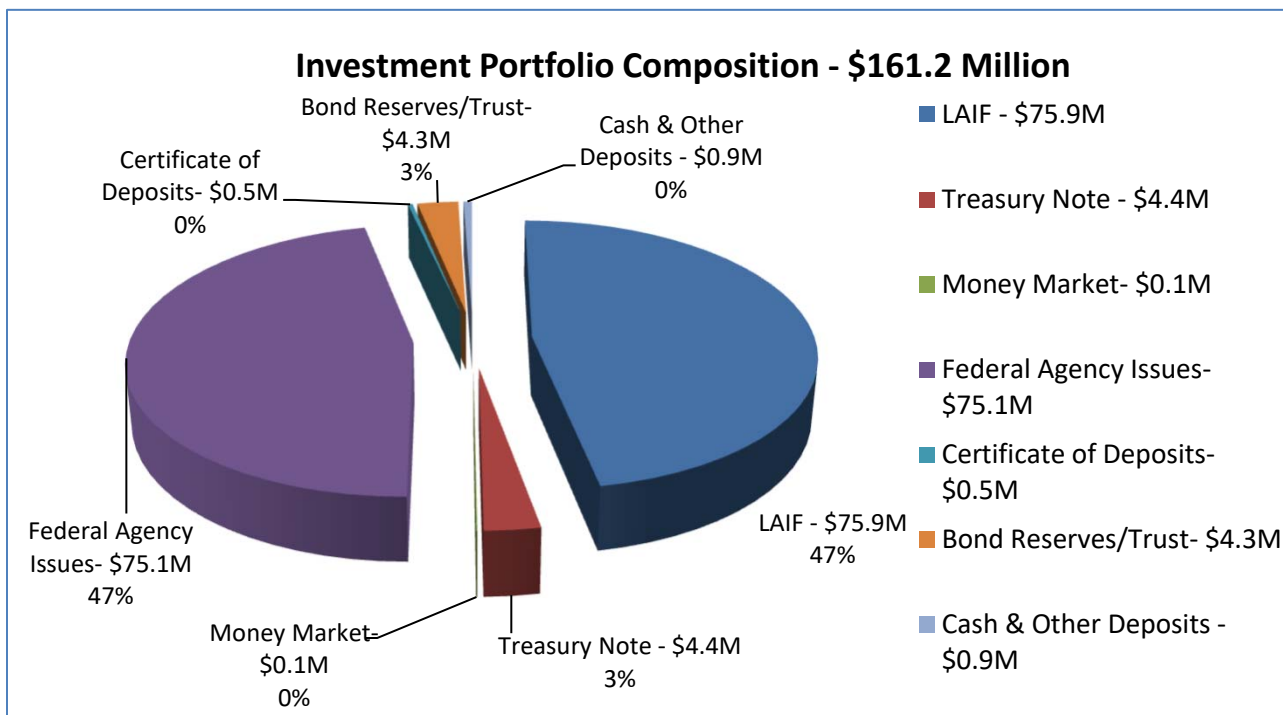


City of Morgan Hill
Recreation Report - Fiscal Year 2021-22
For the Month and Three Months Ended September 30, 2021
25% of Year Complete

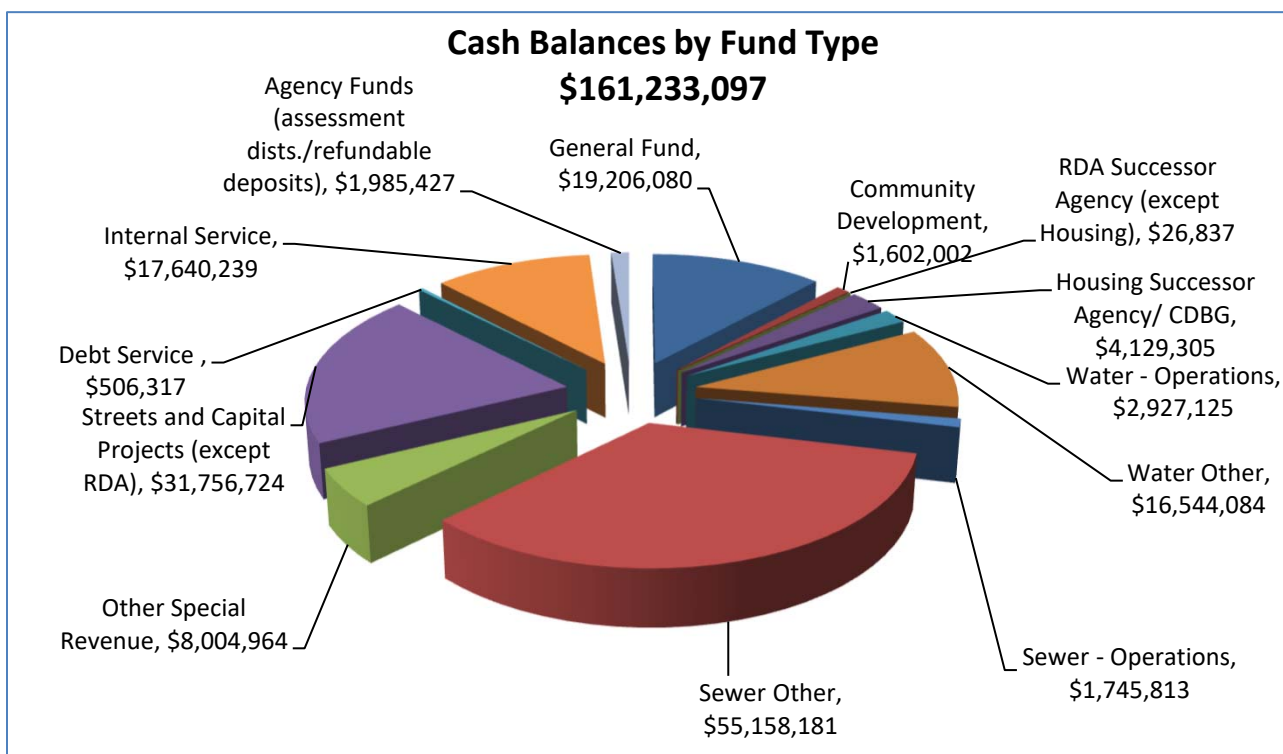
	<u>Budget</u>	<u>September 2021</u>	<u>YTD</u>	<u>% of Budget</u>
Revenues				
Membership Services & Rec Programs	\$ 4,713,801	\$ 309,259	\$ 1,152,987	
Facility Rentals	506,683	33,242	116,367	
Community Services	79,000	1,691	37,136	
Transfers in	75,000	6,250	18,750	
Total Revenues	<u>\$ 5,374,484</u>	<u>\$ 350,443</u>	<u>\$ 1,325,240</u>	25%
Less: Expenditures				
Membership & Program Services	\$ 5,594,211	\$ 296,146	\$ 1,296,607	
Facility Rentals	1,313,549	41,994	120,145	
Community Services	641,554	33,455	98,105	
Total Expenditures	<u>\$ 7,549,315</u>	<u>\$ 371,593</u>	<u>\$ 1,514,857</u>	20%
Net Impact without encumbrances	<u>\$ (2,174,831)</u>	<u>\$ (21,150)</u>	<u>\$ (189,617)</u>	
Encumbrances	-	-	1,406,878	
Net Impact with encumbrances	<u>\$ (2,174,831)</u>	<u>\$ (21,150)</u>	<u>\$(1,596,495)</u>	

City of Morgan Hill Monthly Investment Report - September 31, 2021

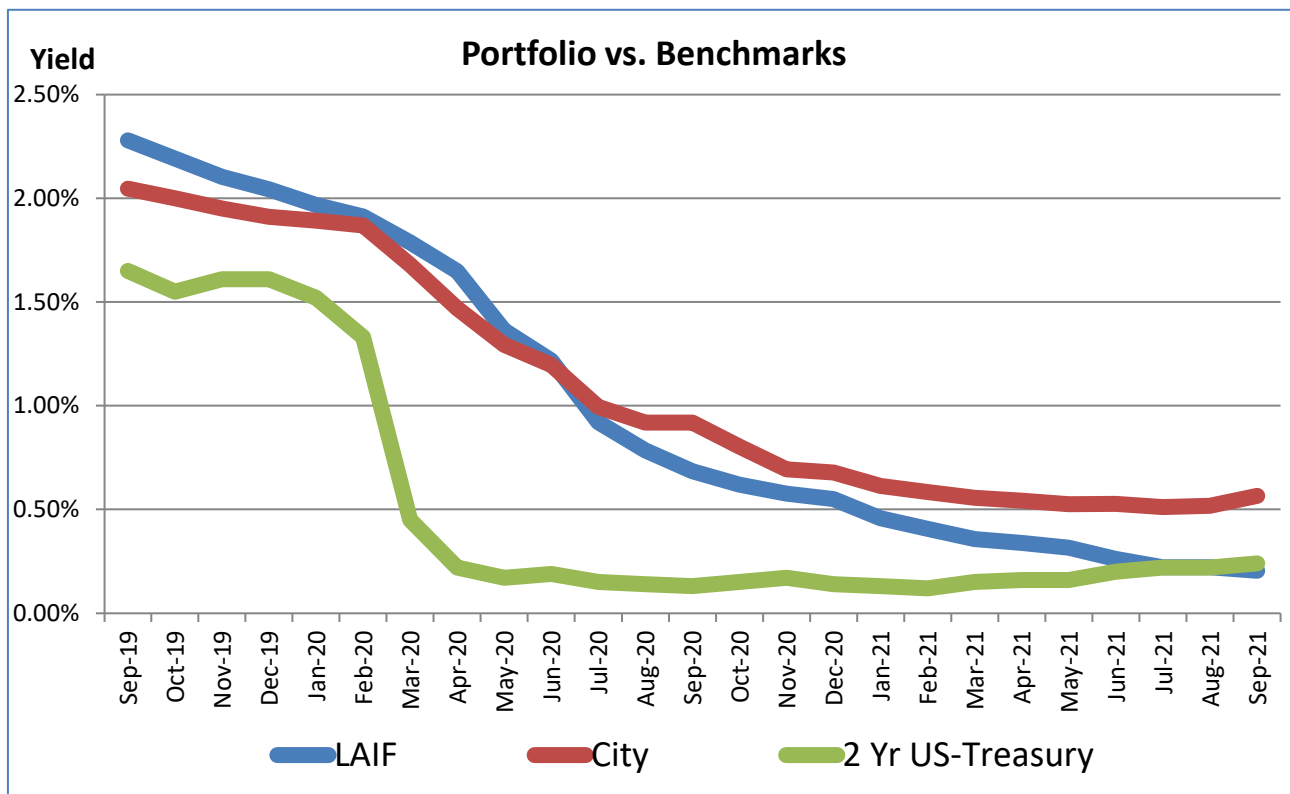
The following are the snapshots of City's investment portfolio as of September 30, 2021. The first chart shows the portfolio composition by investment type:



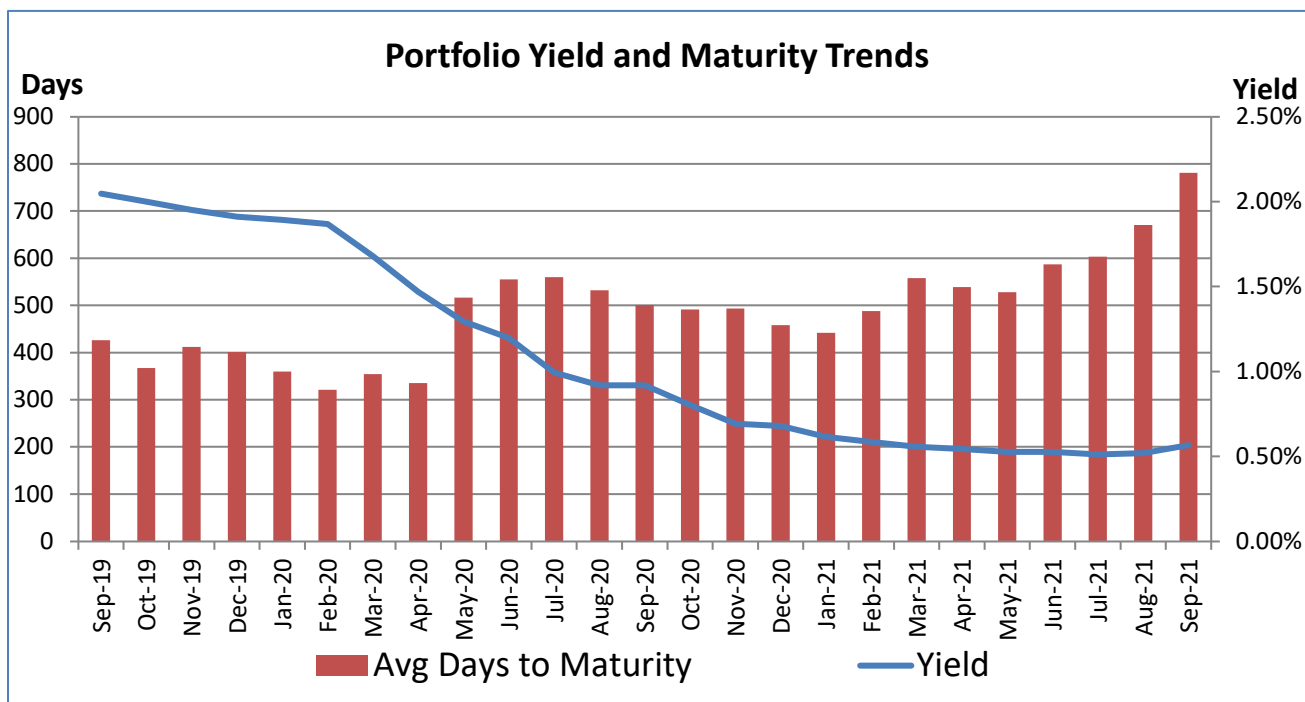
The chart below shows cash balances by fund type reconciled to City's financial system:



The following chart illustrates a yield comparison by month among the City's portfolio, LAIF and 2-Year US Treasury:



The chart below illustrates monthly average days to maturity of the City's portfolio along with the weighted average yield for the past two years:





City of Morgan Hill
Investment Portfolio Detail
As of September 30, 2021

Investment Type	Settlement Date	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
L A I F		\$ 75,898,987	47.07%	\$ 75,905,285	0.21%		
City Managed							
Treasury Note	4/30/2018	4,422,907	3.28%	4,588,425	2.73%	3/31/2023	3/31/2023
FFCB Bond	4/8/2020	2,000,000	1.24%	2,005,680	0.88%	10/8/2021	4/8/2024
FFCB Bond	5/27/2020	2,000,000	1.24%	1,996,600	0.73%	11/27/2021	5/27/2025
FHLMC Bond	6/3/2020	2,000,000	1.24%	2,001,460	0.60%	12/3/2021	12/3/2024
FHLMC Bond	10/20/2020	2,000,000	1.24%	1,981,900	0.60%	10/20/2021	10/20/2025
FHLMC Bond	10/27/2020	2,000,000	1.24%	1,980,640	0.63%	10/27/2021	10/27/2025
FHLMC Bond	11/2/2020	2,000,000	1.24%	1,999,920	0.32%	11/2/2021	11/2/2023
FFCB Bond	11/3/2020	2,000,000	1.24%	1,984,280	0.54%	11/3/2021	11/3/2025
FNMA Bond	11/18/2020	2,000,000	1.24%	1,991,160	0.65%	11/18/2021	11/18/2025
FHLMC Bond	11/24/2020	2,000,000	1.24%	1,987,460	0.64%	11/24/2021	11/24/2025
FFCB Bond	11/24/2020	1,000,000	0.62%	991,060	0.60%	11/24/2021	11/24/2025
FHLMC Bond	11/25/2020	3,000,000	1.86%	2,984,100	0.63%	11/25/2021	11/25/2025
FHLMC Bond	11/30/2020	2,000,000	1.24%	1,987,840	0.65%	11/26/2021	11/26/2025
FFCB Bond	12/22/2020	2,000,000	1.24%	1,977,320	0.47%	12/22/2021	12/22/2025
FHLB Bond	1/22/2021	2,000,000	1.24%	1,983,880	0.63%	1/22/2022	1/22/2026
FNMA Bond	1/28/2021	2,000,000	1.24%	1,979,280	0.55%	1/28/2022	1/28/2026
FHLB Bond	1/28/2021	2,000,000	1.24%	1,984,940	0.65%	1/28/2022	1/28/2026
FHLB Bond	2/24/2021	2,000,000	1.24%	1,996,600	0.75%	2/24/2022	2/24/2026
FHLB Bond	2/25/2021	2,000,000	1.24%	1,984,040	0.66%	2/25/2022	2/25/2026
FHLB Bond	2/26/2021	2,000,000	1.24%	1,982,140	0.65%	2/26/2022	2/26/2026
FHLB Bond	3/10/2021	2,000,000	1.24%	1,992,660	0.85%	3/10/2022	3/10/2026
FHLB Bond	3/16/2021	2,000,000	1.24%	1,985,480	0.70%	3/16/2022	3/16/2026
FHLB Bond	3/16/2021	2,000,000	1.24%	1,990,360	0.80%	3/16/2022	3/16/2026
FHLB Bond	6/9/2021	2,000,000	1.24%	1,997,180	1.08%	12/9/2021	6/9/2026
FHLB Bond	6/30/2021	2,000,000	1.24%	1,997,420	1.00%	12/30/2021	6/30/2026
FHLB Bond	7/15/2021	3,000,000	1.86%	2,998,140	1.13%	1/15/2022	7/15/2026
FHLB Bond	7/15/2021	2,000,000	1.24%	1,999,820	0.85%	1/15/2022	7/15/2025
FHLB Bond	8/26/2021	2,000,000	1.24%	1,991,080	0.80%	2/26/2022	8/26/2026
FHLB Bond	8/26/2021	3,000,000	1.86%	2,993,970	1.00%	2/26/2022	8/26/2026
FHLB Bond	8/26/2021	2,000,000	1.24%	1,990,440	0.90%	2/26/2022	8/26/2026
FHLB Bond	9/13/2021	2,102,363	1.30%	2,086,160	0.82%	3/11/2022	9/11/2026
FFCB Bond	9/28/2021	1,982,979	1.23%	1,982,020	0.98%	3/10/2022	9/10/2026
FHLB Bond	9/29/2021	3,000,000	1.86%	2,998,110	1.13%	3/29/2022	9/29/2026
FHLB Bond	9/30/2021	2,000,000	1.24%	1,986,260	0.88%	3/30/2022	9/30/2026
FHLB Bond	9/30/2021	3,000,000	1.86%	2,974,620	1.05%	3/30/2022	9/30/2026
FHLB Bond	9/30/2021	3,000,000	1.86%	2,980,860	1.02%	3/30/2022	9/30/2026
CD - Goldman Sachs Bank USA	5/13/2020	250,000	0.16%	250,645	0.50%	5/13/2022	5/13/2022
CD - American Nat'l Bank	5/20/2020	250,000	0.16%	250,508	0.40%	5/20/2022	5/20/2022
Sub Total/Average		\$ 80,008,249	50.16%	\$ 79,814,458	0.89%		
Money Market		\$ 102,031	0.06%	\$ 102,031	0.01%		
Total City Managed/Average		\$ 156,009,267	97.29%	\$ 155,821,773	0.56%		
Bond Reserve Accounts - Held By Trustees		\$ 540,902	0.34%	\$ 540,902			
Cash/Deposits		\$ 895,524	0.56%	\$ 895,524			
PARS Trust		\$ 3,787,404	2.35%	\$ 5,061,226			
GRAND TOTAL/AVERAGE		\$ 161,233,097	100%	\$ 162,319,425			



CITY OF MORGAN HILL CASH AND INVESTMENT REPORT
FOR THE MONTH OF SEPTEMBER 30, 2021
FOR THE FISCAL YEAR OF 2021-22

	Invested in Fund	Yield	Book Value End of Month	% of Total	Market Value
Investments					
State Treasurer LAIF - City	All Funds Pooled	0.21%	\$ 56,921,020	35.30%	\$ 56,925,742
2015 Wastewater Rev Bonds - CIP	Wastewater Fund	0.22%	18,977,968	11.77%	18,979,542
Federal Issues	All Funds Pooled	0.84%	75,085,342	46.57%	74,724,880
US Treasury Notes	All Funds Pooled	2.73%	4,422,907	2.74%	4,588,425
Certificate of Deposits	All Funds Pooled	0.45%	500,000	0.31%	501,153
Dreyfus Treas Cash Management Acct	All Funds Pooled	0.01%	102,031	0.06%	102,031
	SUBTOTAL		\$ 156,009,267	96.76%	\$ 155,821,773
Bond Reserve Accounts - held by trustees					
Zions Bank - Civic Center/Library Facility	Debt Service	0.01%	1	0.00%	1
Blackrock Liq Fund					
Zions Bank - MH Police Facility Lease Revenue Bonds	Debt Service	0.01%	1	0.00%	1
Blackrock Liq Fund					
BNY - RDA Bonds					
Dreyfus Cash Mgmt 521	Successor Fund	0.00%	23,234	0.01%	23,234
Zions Bank - MH Ranch 2015					
Blackrock Liq Funds Fed Fund -DI -2015	Agency Fund	0.01%	255,197	0.16%	255,197
Zions Bank - Madrone Bus Park Taxable/ Tax Exempt 2015					
Blackrock Liquidity Temp Fund-2015	Agency Fund	0.01%	262,470	0.16%	262,470
	SUBTOTAL		540,902	0.34%	540,902
Other Cash/Deposits					
General Checking	All Funds		858,412	0.53%	858,412
Workers' Comp Administrators	Workers' Comp		30,000	0.02%	30,000
Petty Cash & Emergency Cash	General Fund		7,112	0.00%	7,112
PARS - OPEB Trust			2,587,404	1.60%	3,495,949 *
PARS - PENSION Trust			1,200,000	0.74%	1,565,277 *
	SUBTOTAL		4,682,928	2.90%	5,956,749
Total Cash and Investments			\$ 161,233,097	100.00%	\$ 162,319,425

* as of 8/31/21

CASH ACTIVITY SUMMARY
FY 2021-22

Fund Type	Unaudited 07/1/21 Balance	Change in Cash Balance	9/30/2021 Balance
General Fund	\$ 16,482,660	\$ 2,723,420	\$ 19,206,080
Community Development	972,100	629,902	1,602,002
RDA Successor Agency (except Housing)	11,666,343	(11,639,506)	26,837
Housing Successor Agency/ CDBG	4,593,710	(464,406)	4,129,305
Water - Operations	3,747,502	(820,377)	2,927,125
Water Other	8,567,976	7,976,108	16,544,084
Sewer - Operations	3,220,859	(1,475,046)	1,745,813
Sewer Other	32,031,933	23,126,248	55,158,181
Other Special Revenue	5,770,282	2,234,682	8,004,964
Streets and Capital Projects (except RDA)	40,583,676	(8,826,953)	31,756,724
Debt Service	227,953	278,364	506,317
Internal Service	17,977,892	(337,652)	17,640,239
Agency Funds (assessment dists./refundable deposits)	3,260,978	(1,275,551)	1,985,427
Total	\$ 149,103,863	\$ 12,129,235	\$ 161,233,097

Note: See Investment Portfolio Detail for maturities of "Investments." Market values are obtained from the City's investment brokers' monthly reports.

I certify the information on the investment reports on pages has been reconciled to the general ledger and bank statements and that there are sufficient funds to meet the expenditure requirements of the City for the next six months. The portfolio is in compliance with the City of Morgan Hill investment policy and all State laws and regulations.

Prepared by:

Gina Nazareno, Senior Accountant

Approved by:

Caitlin Jachimowicz, Treasurer

Reviewed by:

Dat Nguyen, Finance Director



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2021-22
For The Three Months Ended September 30, 2021
25% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
010 GENERAL FUND							
TAXES							
Property Tax - Secured/Unsecured	\$ 13,485,000	13,485,000	\$ -	n/a	\$ -	\$ -	n/a
Property Tax - RPTTF Residual Distribution	2,144,000	2,144,000	-	n/a	-	-	n/a
Property Tax - Supplemental Roll	142,000	142,000	15,178	11%	39,811	(24,633)	-62%
Sales Tax	10,699,601	10,699,601	947,644	9%	857,272	90,372	11%
Public Safety Sales Tax	399,000	399,000	38,675	10%	-	38,675	n/a
Transient Occupancy Taxes	2,235,300	2,235,300	468,312	21%	226,152	242,160	107%
Franchise (Refuse ,Cable ,PG&E)	2,375,000	2,375,000	-	n/a	35	(35)	-100%
Property Transfer Tax	541,000	541,000	144,264	27%	130,043	14,221	11%
TOTAL TAXES	32,020,901	32,020,901	1,614,072	5%	1,253,312	360,760	29%
LICENSES/PERMITS							
Business License	159,135	159,135	136,575	86%	105,833	30,742	29%
Other Permits	39,690	39,690	3,419	9%	2,401	1,018	42%
TOTAL LICENSES/PERMITS	198,825	198,825	139,994	70%	108,234	31,760	29%
FINES AND PENALTIES							
Parking Enforcement	8,240	8,240	250	3%	1,289	(1,040)	-81%
Bails & Fines	75,854	75,854	2,462	3%	3,366	(904)	-27%
Administrative Citations	10,331	10,331	2,182	21%	6,200	(4,018)	-65%
TOTAL FINES AND PENALTIES	94,425	94,425	4,894	5%	10,856	(5,962)	-55%
OTHER AGENCIES							
Motor Vehicle in-Lieu	26,026	26,026	-	n/a	6,286	(6,286)	-100%
Other Revenue - Other Agencies	437,794	653,658	119,812	18%	11,148	108,664	975%
TOTAL OTHER AGENCIES	463,820	679,684	119,812	18%	17,434	102,378	587%
CHARGES CURRENT SERVICES							
Police False Alarm Charge	31,340	31,340	5,743	18%	12,003	(6,260)	-52%
Business License Application Review	38,007	38,007	9,535	25%	8,430	1,105	13%
Membership Services & Rec Programs	4,238,989	4,713,801	1,152,987	24%	659,974	493,012	75%
Facility Rentals	945,931	506,683	116,367	23%	75,701	40,667	54%
Community Services	126,449	79,000	37,136	47%	300	36,836	12279%
General Administration Overhead	1,825,440	1,825,440	458,076	25%	445,218	12,858	3%
Other Charges Current Services	970,580	970,580	97,845	10%	47,368	50,477	107%
TOTAL CURRENT SERVICES	8,176,736	8,164,851	1,877,689	23%	1,248,994	628,695	50%
OTHER REVENUE							
Use of money/property	823,436	823,436	127,684	16%	91,052	36,632	40%
Other Revenues	5,961,472	5,745,608	25,071	0%	54,498	(29,427)	-54%
TOTAL OTHER REVENUE	6,784,908	6,569,044	152,755	2%	145,550	7,205	5%
TRANSFERS IN							
One Time Transfer	180,000	180,000	26,250	15%	51,246	(24,996)	-49%
Public Safety Facilities Fund	25,000	25,000	24,996	100%	6,250	18,746	300%
Supplemental Law Enforcement Fund	100,000	100,000	-	n/a	-	-	n/a
Countywide Solid Waste	324,763	649,526	-	n/a	-	-	n/a
Streets	699,735	699,735	-	n/a	-	-	n/a
Park Maintenance	650,000	650,000	162,501	25%	162,501	-	n/a
Sewer Operations	357,159	357,159	89,289	25%	88,608	681	1%
Water Operations	357,159	357,159	89,289	25%	88,608	681	1%
Park Development	75,000	75,000	18,750	25%	18,750	-	n/a
TOTAL TRANSFERS IN	2,768,816	3,093,579	411,075	13%	415,963	(4,888)	-1%
TOTAL GENERAL FUND	50,508,431	50,821,309	4,320,291	9%	3,200,342	1,119,948	35%
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	699,735	699,735	75,888	11%	57,950	17,938	31%
Interest / Other Revenue/Other Charges	-	-	77	n/a	234	(158)	-67%
202 STREET MAINTENANCE	699,735	699,735	75,964	11%	58,184	17,780	31%

Attachment: September 2021 Financial and Investment Report (3211 : Monthly Budget Update; September 2021 Financial and Investment



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2021-22
For The Three Months Ended September 30, 2021
25% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
SPECIAL REVENUE FUNDS							
205 SUPPLEMENTAL LAW ENFORCEMENT FUND							
Interest Income	858	858	185	22%	142	43	30%
Police Grant/SLEF/JAG	100,000	100,000	-	n/a	-	-	n/a
205 SUPPLEMENTAL LAW ENFORCEMENT FUND	100,858	100,858	185	0%	142	43	30%
206 DEVELOPMENT SERVICES							
Building Fees	3,195,787	3,195,787	793,568	25%	508,906	284,663	56%
Planning Fees	766,776	766,776	233,882	31%	411,762	(177,881)	-43%
Engineering Fees	999,810	999,810	153,161	15%	39,569	113,592	287%
Other Revenue/Current Charges	330,747	330,747	56,394	17%	23,127	33,267	144%
206 DEVELOPMENT SERVICES	5,293,120	5,293,120	1,237,005	23%	983,364	253,640	26%
207 LONG RANGE PLANNING	869,266	869,266	186,907	22%	128,405	58,502	46%
215 and 216 HCD BLOCK GRANT							
Interest Income/Other Revenue	3,173	3,173	62	2%	64	(2)	-3%
215 and 216 HCD BLOCK GRANT	3,173	3,173	62	2%	64	(2)	-3%
225 ASSET SEIZURE	1,931	1,931	136	7%	140	(4)	-3%
229 LIGHTING AND LANDSCAPE	2,573	2,573	150	6%	147	4	3%
230 COMMUNITY FACILITIES DISTRICT	1,240	1,240	128	10%	121	6	5%
232 ENVIRONMENTAL PROGRAMS	481,008	481,008	127,504	27%	109,910	17,594	16%
234 MOBILE HOME PARK RENT STAB.	757	757	59	8%	58	1	2%
235 SENIOR HOUSING	3,869	3,869	223	6%	229	(7)	-3%
236 HOUSING MITIGATION	2,446,028	2,596,028	370,676	14%	314,761	55,915	18%
237 BEGIN	-	-	252	n/a	-	252	n/a
238 CAL HOMES	-	-	77	n/a	80,924	(80,847)	-100%
240 EMPLOYEE ASSISTANCE	29,089	29,089	3,238	11%	3,149	89	3%
246 COUNTYWIDE SOLID WASTE	-	1,324,763	349,556	26%	-	349,556	n/a
247 ENVIRONMENT REMEDIATION	2,448	2,448	129	5%	133	(4)	-3%
250 COMH-SUCCESSOR AGENCY-MHRDA	7,100,496	7,100,496	-	n/a	1,785	(1,785)	-100%
255 HOUSING SUCCESSOR AGENCY	215,318	215,318	88,349	41%	37,925	50,424	133%
260 PUBLIC ART	-	-	-	n/a	-	-	n/a
TOTAL SPECIAL REVENUE FUNDS	17,250,910	18,725,673	2,440,600	13%	1,719,442	721,158	42%
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	1,748,480	1,748,480	5,577,867	319%	841,726	4,736,141	563%
302 PARK MAINTENANCE	360,613	360,613	4,613	1%	6,578	(1,964)	-30%
303 LOCAL DRAINAGE	1,675,036	1,675,036	255,965	15%	207,387	48,578	23%
304 LOCAL DRAINAGE/NON AB1600	80,692	80,692	50,486	63%	1,420	49,066	3454%
306 AGRICULTURE & OPEN SPACE PRESERVATION	180,385	180,385	45,554	25%	58,688	(13,134)	-22%
308 STREET CIP	3,300,523	4,050,523	483,938	12%	245,418	238,520	97%
309 TRAFFIC IMPACT	1,468,388	1,468,388	449,488	31%	249,119	200,368	80%
315 PUBLIC SAFETY FACILITIES IMPACT	864,417	864,417	108,316	13%	131,864	(23,547)	-18%
346 PUBLIC FACILITIES NON-AB1600	611,488	911,488	34,041	4%	416,265	(382,224)	-92%
347 PUBLIC FACILITIES IMPACT	265,536	265,536	24,520	9%	54,863	(30,344)	-55%
348 LIBRARY	1,077,617	1,077,617	93,763	9%	286,128	(192,366)	-67%
350 UNDERGROUNDING	86,073	86,073	363,443	422%	952	362,492	38091%
355 SCHOOL PEDESTRIAN/TRAFFIC SAFETY	591,967	591,967	29,717	5%	1,044	28,672	2745%
360 COMMUNITY/REC IMPACT FUND	1,730,018	1,730,018	132,323	8%	456,505	(324,182)	-71%
375 QUIMBY FEE	1,623,552	1,623,552	-	n/a	-	-	n/a
TOTAL CAPITAL PROJECTS FUNDS	15,664,785	16,714,785	7,654,033	46%	2,957,958	4,696,075	159%
DEBT SERVICE FUNDS							
420 CIVIC CENTER DEBT	307,385	307,385	76,435	25%	77,669	(1,235)	-2%
441 POLICE FACILITY BOND	385,639	385,639	96,264	25%	95,835	428	0%
TOTAL DEBT SERVICE FUNDS	693,024	693,024	172,698	25%	173,505	(806)	0%

Attachment: September 2021 Financial and Investment Report (3211 : Monthly Budget Update; September 2021 Financial and Investment



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2021-22
For The Three Months Ended September 30, 2021
25% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
ENTERPRISE FUNDS							
640 SEWER OPERATION							
Sewer Service Fees	13,812,501	13,812,501	2,400,931	17%	2,184,983	215,948	10%
Interest Income/Transfers	37,425	37,425	2,035	5%	4,316	(2,281)	-53%
Other Revenue/Current Charges	268,241	268,241	78,069	29%	42,789	35,280	82%
640 SEWER OPERATION	14,118,167	14,118,167	2,481,035	18%	2,232,088	248,948	11%
641 SEWER EXPANSION							
Interest Income	220,194	220,194	22,517	10%	22,334	182	1%
Development Impact Fee	6,845,919	6,845,919	827,964	12%	1,228,212	(400,248)	-33%
641 SEWER EXPANSION	7,066,113	7,066,113	850,481	12%	1,250,546	(400,066)	-32%
642 SEWER RATE STABILIZATION	195,311	195,311	40,076	21%	2,635	37,441	1421%
643 SEWER-CAPITAL PROJECT	4,707,648	4,707,648	1,169,525	25%	1,103,305	66,220	6%
TOTAL SEWER FUNDS	26,087,239	26,087,239	4,541,117	17%	4,588,573	(47,456)	-1%
650 WATER OPERATION							
Water Sales	15,179,148	15,179,148	2,871,491	19%	3,111,474	(239,983)	-8%
Meter Install & Service	25,215	25,215	11,252	45%	3,429	7,823	228%
Transfers-In / Interest Income	546,952	546,952	55,370	10%	120,754	(65,384)	-54%
Other Revenue/Current Charges	585,381	585,381	297,545	51%	204,456	93,089	46%
650 WATER OPERATION	16,336,696	16,336,696	3,235,658	20%	3,440,113	(204,455)	-6%
651 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	64,003	64,003	3,287	5%	3,111	176	6%
Development Impact Fee	1,782,143	1,782,143	163,723	9%	509,458	(345,735)	-68%
651 WATER EXPANSION	1,846,146	1,846,146	167,010	9%	512,569	(345,559)	-67%
652 Water Rate Stabilization	141,222	141,222	34,270	24%	14,276	19,994	140%
653 Water Capital Project	5,047,350	5,047,350	1,266,498	25%	1,216,042	50,457	4%
TOTAL WATER FUNDS	23,371,414	23,371,414	4,703,437	20%	5,183,000	(479,563)	-9%
TOTAL ENTERPRISE FUNDS	49,458,653	49,458,653	9,244,553	19%	9,771,573	(527,020)	-5%
INTERNAL SERVICE FUNDS							
730 INFORMATION SYSTEMS	1,952,577	2,247,577	563,249	25%	471,480	91,769	19%
740 BUILDING MAINTENANCE	3,409,334	3,409,334	282,691	8%	856,593	(573,901)	-67%
741 BUILDING REPLACEMENT	745,508	755,508	175,143	23%	167,686	7,457	4%
745 CIP ADMINISTRATION	1,798,889	1,798,889	-	n/a	-	-	n/a
760 UNEMPLOYMENT INSURANCE	2,513	2,513	313	12%	25,017	(24,704)	-99%
770 WORKERS COMPENSATION	913,504	913,504	172,397	19%	166,095	6,302	4%
790 EQUIPMENT REPLACEMENT	1,086,223	1,086,223	307,600	28%	258,111	49,489	19%
791 EMPLOYEE BENEFITS	1,043,858	1,043,858	152,157	15%	149,163	2,994	2%
795 GENERAL LIABILITY INSURANCE	1,504,188	1,737,188	429,799	25%	215,150	214,649	100%
TOTAL INTERNAL SERVICE FUNDS	12,456,594	12,994,594	2,083,349	16%	2,309,294	(225,945)	-10%
TOTAL FOR ALL FUNDS	\$ 146,032,397	\$ 149,408,038	\$ 25,915,524	17%	\$ 20,132,114	\$ 5,783,411	29%

Attachment: September 2021 Financial and Investment Report (3211 : Monthly Budget Update; September 2021 Financial and Investment



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2021-22
For the Month and Three Months Ended September 30, 2021
25% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRICE YTD
010 GENERAL FUND								
I. ADMINISTRATION								
	CITY COUNCIL	\$ 21,276	\$ 433,850	\$ 84,185	\$ 99,332	\$ 183,517	42%	\$ 100
	CITY ATTORNEY	57,453	802,889	152,874	37,927	190,801	24%	100
	CITY MANAGER	48,383	638,262	145,629	5,000	150,629	24%	100
	HUMAN RESOURCES	49,870	830,904	144,492	-	144,492	17%	100
	COUNCIL SVCS & RECORDS MGMT							
	Council Svcs & Records Mgmt	43,707	672,320	135,901	25,500	161,401	24%	100
	Elections	1,882	28,180	5,495	-	5,495	20%	100
	COUNCIL SVCS & RECORDS MGMT	45,589	700,500	141,396	25,500	166,896	24%	100
	FINANCE	113,785	2,472,421	364,304	55,712	420,015	17%	300
	TOTAL ADMINISTRATION	336,356	5,878,826	1,032,879	223,471	1,256,350	21%	98
II. COMMUNITY SERVICES								
	Membership Services & Rec. Programs	296,146	5,594,211	1,296,607	1,285,265	2,581,872	46%	1,100
	Recreation Facility Rentals	41,994	1,313,549	120,145	26,880	147,025	11%	200
	Community Services	33,455	641,554	98,105	94,733	192,838	30%	500
	Park Maintenance	78,240	1,159,250	196,804	82,685	279,489	24%	200
	Environmental Services	13,374	349,129	45,665	2,240	47,906	14%	400
	Countywide Solid Waste Program	15,210	303,550	26,166	-	26,166	9%	-
	Street Maintenance	144,126	2,562,248	389,802	160,743	550,545	21%	400
	Downtown Maintenance	12,151	318,869	63,590	75,641	139,231	44%	400
	Cable Television	2,683	34,272	7,783	-	7,783	23%	100
	COMMUNITY SERVICES	637,377	12,276,632	2,244,667	1,728,188	3,972,855	32%	2,200
	CODE COMPLIANCE	13,764	174,873	39,165	-	39,165	22%	500
	INFRASTRUCTURE PLANNING & CONGESTION MGMT	22,537	356,583	67,305	-	67,305	19%	600
	ECONOMIC DEVELOPMENT PROGRAMS	34,724	925,380	126,366	68,431	194,798	21%	1800
	TOTAL COMMUNITY SERVICES	708,402	13,733,468	2,477,504	1,796,619	4,274,123	31%	2,500
III. PUBLIC SAFETY								
	POLICE							
	PD Administration	193,684	1,421,383	407,538	46,213	453,752	32%	300
	Field Operations	698,847	9,244,988	2,067,493	197,073	2,264,565	24%	1,800
	Support Services	193,560	2,596,110	632,339	-	632,339	24%	500
	Emergency Services/Haz Mat	14,703	202,072	41,937	-	41,937	21%	400
	Special Operations	216,221	3,700,816	667,360	9,337	676,697	18%	700
	Dispatch Services	140,389	1,897,873	394,758	-	394,758	21%	300
	POLICE	1,457,403	19,063,242	4,211,425	252,623	4,464,048	23%	3,800
	FIRE	553,895	7,388,401	1,784,421	6,850	1,791,271	24%	1,900
	TOTAL PUBLIC SAFETY	2,011,299	26,451,643	5,995,845	259,473	6,255,319	24%	5,700
IV. TRANSFERS								
	Other	110,559	2,083,681	331,677	-	331,677	16%	1400
	TOTAL TRANSFERS	110,559	2,083,681	331,677	-	331,677	16%	1400
	TOTAL GENERAL FUND	3,166,616	48,147,618	9,837,905	2,279,563	12,117,468	25%	9,400

Attachment: September 2021 Financial and Investment Report (3211) : Monthly Budget Update; September 2021 Financial and Investment



City of Morgan Hill
 Year to Date Expenses - Fiscal Year 2021-22
 For the Month and Three Months Ended September 30, 2021
 25% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRICE YTD
SPECIAL REVENUE FUNDS								
202	STREET MAINTENANCE	361	704,068	1,083	-	1,083	0%	
205	PUBLIC SAFETY/SUPP.LAW	604	107,245	1,812	-	1,812	2%	
206	DEVELOPMENT SERVICES FUND							
	Planning	149,542	1,956,314	426,274	33,740	460,014	24%	3%
	Building	168,420	2,233,914	483,053	1,786	484,839	22%	4%
	Engineering	168,424	1,366,129	336,407	11,285	347,692	25%	2%
206	DEVELOPMENT SERVICES FUND	486,386	5,556,357	1,245,734	46,812	1,292,546	23%	1,0%
207	LONG RANGE PLANNING	62,985	756,202	146,612	55,612	202,224	27%	2%
215/216	CDBG	458	5,499	1,374	-	1,374	25%	
225	ASSET SEIZURE	-	54,232	-	14,232	14,232	26%	
229	LIGHTING AND LANDSCAPE	8,492	168,130	23,251	24,297	47,547	28%	
230	COMMUNITY FACILITIES DISTRICT	1,916	42,093	5,577	-	5,577	13%	
232	ENVIRONMENT PROGRAMS	19,248	508,715	80,918	-	80,918	16%	
234	MOBILE HOME PARK	37	449	111	-	111	25%	
236	HOUSING MITIGATION	67,618	1,095,875	163,249	61,309	224,558	20%	1%
237	BEGIN	-	-	-	-	-	n/a	
238	CAL HOMES	-	-	-	-	-	n/a	
240	EMPLOYEE ASSISTANCE	2,086	28,531	2,258	-	2,258	8%	
246	COUNTYWIDE SOLID WASTE PROGRAM	30,512	1,324,763	115,928	312,820	428,748	32%	
247	ENVIRONMENTAL REMEDIATION	-	-	-	-	-	n/a	
250	COMH-SUCCESSOR AGENCY-MHRDA	480,423	6,939,408	481,582	-	481,582	7%	2%
255	HOUSING SUCCESSOR AGENCY	82,998	1,003,785	291,335	341,667	633,002	63%	
260	PUBLIC ART	-	23,500	3,750	-	3,750	16%	
TOTAL SPECIAL REVENUE FUNDS		1,244,122	18,318,852	2,564,573	856,749	3,421,322	19%	1,8%
CAPITAL PROJECT FUNDS								
301	PARK DEVELOPMENT	3,255,604	5,551,383	3,464,019	2,966,554	6,430,573	116%	5%
302	PARK MAINTENANCE	54,302	650,000	163,925	-	163,925	25%	1%
303	LOCAL DRAINAGE	6,466	2,293,385	11,474	42,558	54,032	2%	
304	LOCAL DRAIN. NON-AB1600	240	201,469	720	48,585	49,305	24%	
306	AGRICULTURE & OPEN SPACE PRESERVATION	5,386,767	96,991	5,391,265	-	5,391,265	5559%	
308	STREET CIP	2,152,921	3,371,467	2,184,918	534,631	2,719,549	81%	
309	TRAFFIC IMPACT	101,094	15,471,092	1,886,720	12,743,659	14,630,379	95%	5%
313	FIRE IMPACT	-	223,375	-	-	-	n/a	
315	PUBLIC SAFETY FACILITIES IMPACT	19,598	231,805	58,794	-	58,794	25%	
346	PUBLIC FAC.NON AB1600	22,056	372,377	58,094	55,887	113,981	31%	1%
347	PUBLIC FACILITIES IMPACT	2,277	27,331	6,831	-	6,831	25%	
348	LIBRARY IMPACT	18,059	216,704	54,177	-	54,177	25%	1%
350	UNDERGROUNDING	95	1,135	285	-	285	25%	
355	SCHOOL PEDESTRIAN & TRAFFIC SAFETY	298,070	1,160,466	720,703	358,788	1,079,490	93%	
360	COMM/REC CENTER IMPACT	26,563	1,454,834	28,801	402,818	431,619	30%	6%
375	QUIMBY FEE	-	500,000	-	-	-	n/a	
TOTAL CAPITAL PROJECTS FUNDS		11,344,112	31,823,813	14,030,725	17,153,480	31,184,205	98%	2,3%
DEBT SERVICE FUNDS								
420	CIVIC CENTER DEBT	886	304,947	2,658	-	2,658	1%	
441	POLICE FACILITY BOND DEBT	338	389,497	1,014	-	1,014	0%	
TOTAL DEBT SERVICE FUNDS		1,224	694,444	3,672	-	3,672	1%	

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City of Morgan Hill
 Year to Date Expenses - Fiscal Year 2021-22
 For the Month and Three Months Ended September 30, 2021
 25% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIC YTI
ENTERPRISE FUNDS								
SEWER								
640	SEWER OPERATIONS	1,141,977	13,992,048	3,327,580	143,342	3,470,923	25%	2,9%
641	SEWER CAPITAL EXPANSION	33,376	17,978,982	87,720	542,919	630,640	4%	10%
642	SEWER RATE STABILIZATION	95	1,138	285	-	285	25%	-
643	SEWER-CAPITAL PROJECTS	2,429,682	10,456,667	2,811,697	3,328,632	6,140,329	59%	1,8%
TOTAL SEWER FUND(S)		3,605,131	42,428,835	6,227,283	4,014,894	10,242,176	24%	4,9%
WATER								
	Water Operations	1,280,459	15,239,783	3,082,439	804,214	3,886,653	26%	2,3%
	Utility Billing	62,804	985,735	201,272	42,739	244,011	25%	1%
	Water Conservation	5,769	157,768	19,529	-	19,529	12%	-
650	WATER OPERATIONS	1,349,032	16,383,286	3,303,240	846,952	4,150,192	25%	2,6%
651	WATER CAPITAL EXPANSION	71,107	2,149,012	193,101	46,161	239,262	11%	1%
652	WATER RATE STABILIZATION	31	371	93	-	93	25%	-
653	WATER-CAPITAL PROJECTS	99,488	5,274,857	103,552	361,179	464,731	9%	-
TOTAL WATER FUND(S)		1,519,658	23,807,525	3,599,986	1,254,292	4,854,277	20%	2,7%
TOTAL ENTERPRISE FUNDS		5,124,789	66,236,360	9,827,268	5,269,185	15,096,454	23%	7,6%
INTERNAL SERVICE FUNDS								
730	INFORMATION SYSTEMS	85,361	2,512,628	349,678	1,180,438	1,530,116	61%	3%
740	BUILDING MAINTENANCE	82,718	3,425,095	235,187	122,827	358,014	10%	5%
741	BUILDING REPLACEMENT	49,940	310,000	49,940	80,363	130,303	42%	-
745	CIP ADMINISTRATION	132,817	1,735,361	387,249	6,974	394,224	23%	3%
760	UNEMPLOYMENT	-	20,000	-	-	-	n/a	-
770	WORKERS COMPENSATION	51,330	876,877	555,072	-	555,072	63%	4%
790	EQUIPMENT REPLACEMENT	-	1,273,014	63,236	362,983	426,219	33%	1%
791	EMPLOYEE BENEFITS FUND	5,172	625,000	33,528	-	33,528	5%	-
795	GEN. LIABILITY INSURANCE	9,051	1,724,061	1,449,767	-	1,449,767	84%	1,0%
TOTAL INTERNAL SERVICE FUNDS		416,391	12,502,036	3,123,657	1,753,585	4,877,242	39%	3,0%
REPORT TOTAL		\$ 21,297,254	\$ 177,723,123	\$ 39,387,800	\$ 27,312,562	\$ 66,700,362	38%	\$ 24,2%

Attachment: September 2021 Financial and Investment Report (3211 : Monthly Budget Update; September 2021 Financial and Investment

		 City of Morgan Hill Fund Activity Summary - Fiscal Year 2021-22 For The Three Months Ended September 30, 2021 25% of Year Complete							
Fund No.	Fund	Unaudited Fund Balance 06-30-21	Revenues		Expenses		Year to-Date Deficit or Carryover	Ending Fund Balance	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved
010	GENERAL FUND	\$ 17,740,168	\$ 4,320,291	9%	\$ 9,837,905	20%	\$ (5,517,614)	\$ 2,279,563	\$ 9,942,991
TOTAL GENERAL FUND		\$ 17,740,168	\$ 4,320,291	9%	\$ 9,837,905	20%	\$ (5,517,614)	\$ 2,279,563	\$ 9,942,991
202	STREET MAINTENANCE	6,241	\$ 75,964	11%	\$ 1,083	22%	\$ 74,881	\$ -	\$ 81,122
205	PUBLIC SAFETY/SUPL. LAW	195,711	185	0%	1,812	25%	(1,627)	-	194,084
206	DEVELOPMENT SERVICES	(423,104)	1,237,005	23%	1,245,734	22%	(8,730)	46,812	(478,645)
207	LONG RANGE PLANNING	1,134,648	186,907	22%	146,612	19%	40,295	55,612	1,119,331
215 / 216	CDBG	34,847	62	2%	1,374	25%	(1,312)	-	33,535
225	ASSET SEIZURE	143,171	136	7%	-	n/a	136	14,232	129,075
229	LIGHTING AND LANDSCAPE	182,693	150	6%	23,251	14%	(23,101)	24,297	135,296
230	COMMUNITY FACILITIES DISTRICT	137,817	128	10%	5,577	13%	(5,449)	-	132,368
232	ENVIRONMENTAL PROGRAMS	214,035	127,504	27%	80,918	16%	46,586	-	260,621
234	MOBILE HOME PK RENT STAB.	62,151	59	8%	111	25%	(52)	-	62,099
235	SENIOR HOUSING	234,443	223	6%	-	n/a	223	-	234,666
236	HOUSING MITIGATION	4,447,211	370,676	14%	163,249	15%	207,427	61,309	4,593,329
237	BEGIN	218,320	252	n/a	-	n/a	252	-	218,572
238	CAL HOMES	81,151	77	n/a	-	n/a	77	-	81,228
240	EMPLOYEE ASSISTANCE	68,944	3,238	11%	2,258	8%	980	-	69,924
246	COUNTYRIDE SOLID WASTE		349,556	5%	115,928	9%	233,628	312,820	(79,192)
247	ENVIRONMENT REMEDIATION	135,843	129	5%	-	n/a	129	-	135,972
250	COMH-SUCCESSOR AGENCY-MHRDA	(4,693,361)	-	n/a	481,582	7%	(481,582)	-	(5,174,943)
255	HOUSING SUCCESSOR AGENCY	4,306,346	88,349	41%	291,335	29%	(202,986)	364,900	3,738,460
260	PUBLIC ART	69,000	-	n/a	3,750		(3,750)	-	65,250
TOTAL SPECIAL REVENUE FUNDS		\$ 6,556,107	\$ 2,440,600	13%	\$ 2,564,573	14%	\$ (123,974)	\$ 879,982	\$ 5,552,151
301	PARK DEV. IMPACT FUND	\$ 529,873	\$ 5,577,867	319%	\$ 3,464,019	62%	\$ 2,113,848	\$ 2,966,554	\$ (322,833)
302	PARK MAINTENANCE	2,775,515	4,613	1%	163,925	25%	(159,311)	-	2,616,204
303	LOCAL DRAINAGE	11,984,228	255,965	15%	11,474	1%	244,491	42,558	12,186,162
304	LOCAL DRAINAGE/NON-AB1600	1,271,739	50,486	63%	720	0%	49,766	48,585	1,272,920
306	AGRICULTURE AND OPEN SPACE PRESERV	6,007,955	45,554	25%	5,391,265	5559%	(5,345,711)	-	662,244
308	STREET CIP	3,435,969	483,938	12%	2,184,918	65%	(1,700,980)	534,631	1,200,359
309	TRAFFIC IMPACT FUND	1,231,012	449,488	31%	1,886,720	12%	(1,437,233)	12,743,659	(12,949,880)
315	PUBLIC SAFETY FACILITIES IMPACT	3,648,278	108,316	13%	58,794	25%	49,522	-	3,697,800
346	PUBLIC FACILITIES NON-AB1600	1,102,002	34,041	4%	58,094	16%	(24,053)	55,887	1,022,062
347	PUBLIC FACILITIES IMPACT FUND	1,033,930	24,520	9%	6,831	25%	17,689	-	1,051,619
348	LIBRARY IMPACT FUND	1,494,070	93,763	9%	54,177	25%	39,586	-	1,533,656
350	UNDERGROUNDING	1,073,164	363,443	422%	285	25%	363,158	-	1,436,322
355	SCHOOL PEDESTRIAN/TRAFFIC SFTY	203,738	29,717	5%	720,703	62%	(690,986)	358,788	(846,035)
360	COMM/REC CTR IMPACT FUND	1,377,907	132,323	8%	28,801	2%	103,522	402,818	1,078,610
TOTAL CAPITAL PROJECT FUNDS		\$ 37,169,380	\$ 7,654,033	46%	\$ 14,030,725	44%	\$ (6,376,692)	\$ 17,153,480	\$ 13,639,209
420	CIVIC CENTER DEBT	\$ 165,444	\$ 76,435	25%	\$ 2,658	1%	\$ 73,777	\$ -	\$ 239,221
441	POLICE FACILITY BOND DEBT	171,896	96,264	25%	1,014	0%	95,250	-	267,146
TOTAL DEBT SERVICE FUNDS		\$ 337,340	\$ 172,698	25%	\$ 3,672	1%	\$ 169,026	\$ (1)	\$ 506,366

City of Morgan Hill
Fund Activity Summary - Fiscal Year 2021-22
For The Three Months Ended September 30, 2021
25% of Year Complete

Fund No.	Fund	Unaudited Fund Balance 06-30-21	Revenues		Expenses		Year to-Date Deficit or Carryover	Ending Fund Balance	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved
640	SEWER OPERATIONS	\$ 3,580,782	\$ 2,481,035	18%	\$ 3,327,580	24%	\$ (846,545)	143,342	2,590,894
641	SEWER IMPACT FUND*	22,815,616	850,481	12%	87,720	0%	762,760	542,919	23,035,457
642	SEWER RATE STABILIZATION	2,690,651	40,076	21%	285	25%	39,791	-	2,730,442
643	SEWER-CAPITAL PROJECTS	9,866,304	1,169,525	25%	2,811,697	27%	(1,642,172)	3,328,632	4,895,500
650	WATER OPERATIONS	4,020,625	3,235,658	20%	3,303,240	20%	(67,581)	846,952	3,106,091
651	WATER IMPACT FUND*	3,406,682	167,010	9%	193,101	9%	(26,091)	46,161	3,334,431
652	WATER RATE STABILIZATION	3,160,467	34,270	24%	93	25%	34,177	-	3,194,644
653	WATER -CAPITAL PROJECT	8,754,608	1,266,498	25%	103,552	2%	1,162,947	361,179	9,556,376
TOTAL ENTERPRISE FUNDS		\$ 58,295,735	\$ 9,244,553	19%	\$ 9,827,268	15%	\$ (582,715)	\$ 5,269,185	\$ 52,443,835
730	INFORMATION SERVICES	\$ 854,321	\$ 563,249	25%	\$ 349,678	14%	\$ 213,571	\$ 1,180,438	\$ (112,546)
740	BUILDING MAINTENANCE	74,519	282,691	8%	235,187	7%	47,505	122,827	(804)
741	BUILDING REPLACEMENT	3,587,574	175,143	23%	49,940	16%	125,203	80,363	3,632,414
745	CIP ENGINEERING	(623,064)	-	n/a	387,249	22%	(387,249)	6,974	(1,017,288)
760	UNEMPLOYMENT	333,729	313	12%	-	n/a	313	-	334,042
770	WORKERS COMPENSATION	2,114,390	172,397	19%	555,072	63%	(382,675)	30,000	1,701,715
790	EQUIPMENT REPLACEMENT	5,987,386	307,600	28%	63,236	5%	244,364	362,983	5,868,767
791	EMPLOYEE BENEFITS FUNDS	3,058	152,157	15%	33,528	5%	118,629	-	121,687
795	GEN. LIABILITY INSURANCE	1,324,414	429,799	25%	1,449,767	84%	(1,019,968)	-	304,446
TOTAL INTERNAL SERVICE FUNDS		\$ 13,656,327	\$ 2,083,349	16%	\$ 3,123,657	25%	\$ (1,040,308)	\$ 1,783,585	\$ 10,832,434
SUMMARY BY FUND TYPE									
GENERAL FUND GROUP		\$ 17,740,168	\$ 4,320,291	9%	\$ 9,837,905	20%	\$ (5,517,614)	\$ 2,279,563	\$ 9,942,991
SPECIAL REVENUE GROUP		6,556,107	2,440,600	13%	2,564,573	14%	(123,974)	879,982	5,552,151
DEBT SERVICE GROUP		337,340	172,698	25%	3,672	1%	169,026	(1)	506,366
CAPITAL PROJECTS GROUP		37,169,380	7,654,033	46%	14,030,725	44%	(6,376,692)	17,153,480	13,639,209
ENTERPRISE GROUP		58,295,735	9,244,553	19%	9,827,268	15%	(582,715)	5,269,185	52,443,835
INTERNAL SERVICE GROUP		13,656,327	2,083,349	16%	3,123,657	25%	(1,040,308)	1,783,585	10,832,434
TOTAL ALL GROUPS		\$ 133,755,057	\$ 25,915,524	17%	\$ 39,387,800	22%	\$ (13,472,276)	\$ 27,365,795	\$ 92,916,986

For Enterprise Funds: Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.

*Unreserved fund balance includes bond proceeds reserved for projects listed in bond documents.

¹ Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

² Amount restricted for debt service payments and AB1600 capital expansion projects as detailed in the City's five year CIP Plan and bond agreements.

City Manager's Signature Authority**Contracts and Agreements Between \$25,000 to \$60,000 Entered Since 8/6/2021 to 10/8/2021**

Vendor Name	Description of Service	Begin Date	End Date	Department	Amount
Paul Herbert Causey dba Causey Consulting	Sewer System Management Plan Audit and Revision	8/19/2021	6/30/2022	E&U	\$37,300
Tripepi Smith & Associates	Redistricting Outreach and Engagement Services	8/25/2021	6/30/2022	Admin	\$35,000
PRx Digital	Morgan Hill Community Outreach and Engagement Campaign	9/7/2021	1/31/2022	Admin	\$60,000
Pacific Underground Construction	Water and Sewer Repairs	9/16/2021	8/30/2023	E&U	\$50,000
National Demographics Corporation	Demographics and Redistricting Service	8/8/2021	6/30/2022	Admin	\$55,000
Duke's Root Control, Inc	Sanitary Sewer Root Control Services	10/4/2021	9/30/2023	CS	\$41,322
Ralph Anderson & Associates	Technology Director (Chief Technology Officer)	10/4/2021	2/28/2022	Admin	\$27,500

Attachment: September 2021 Financial and Investment Report (3211 : Monthly Budget Update; September 2021 Financial and Investment



Monthly Budget Update



Overview

- Monthly Budget Update
- Staff does not recommend any budget adjustments at this time

General Fund

- No material change since last budget update
- Both recreation services revenues and expenditures are trending below budget

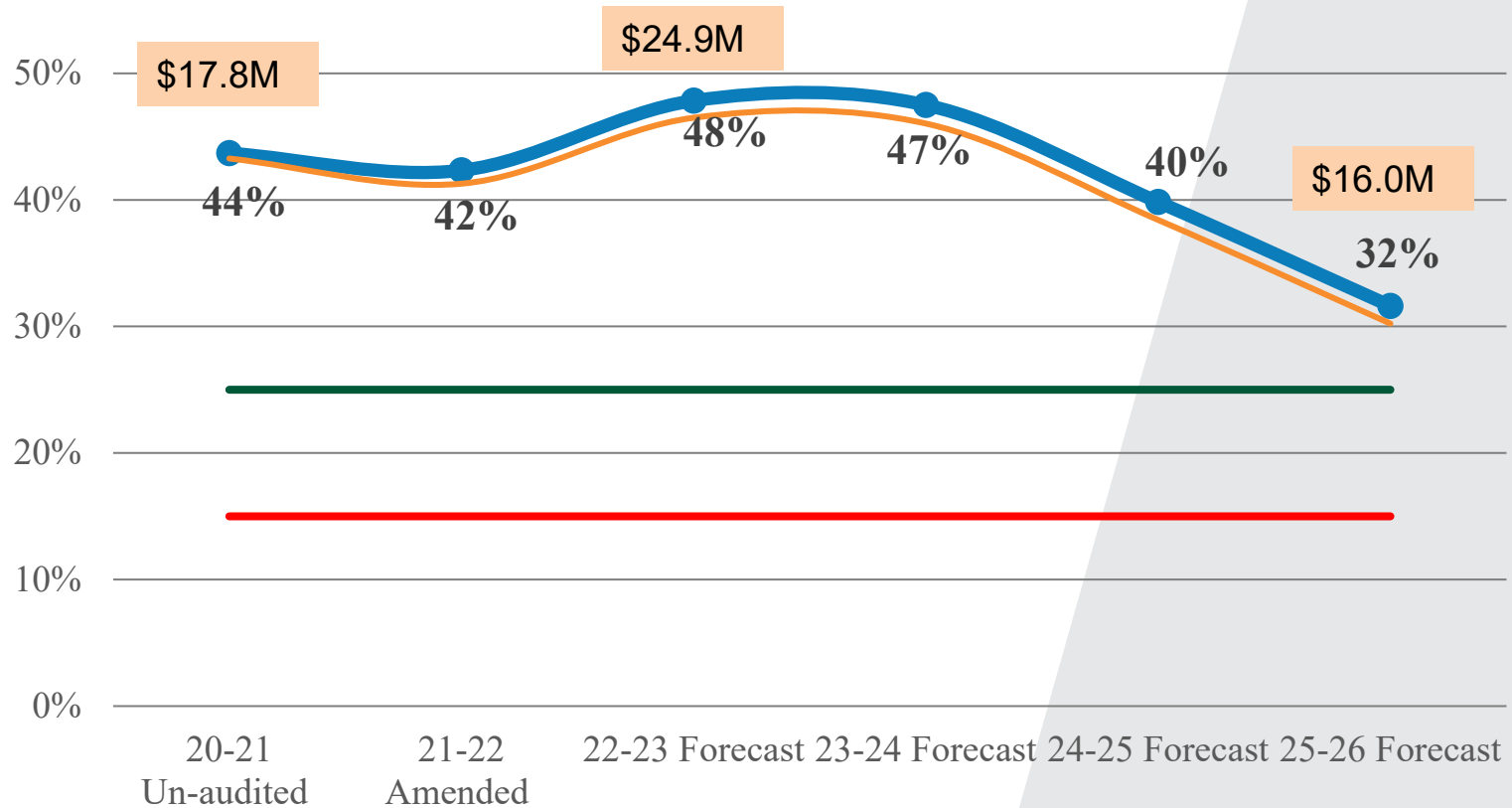
Development Services Fund

- Both revenues and expenditures are tracking budget
- Finalizing updated fee study

Enterprise Funds

- Sewer operations revenue is tracking slightly higher than budget
- Water sales is slightly below budget due to drought measures
- Finalizing water rate study

Updated General Fund Forecast



● GF Six Year Forecast September 1, 2021

— GF Six Year Forecast August 18, 2021

— Fund Balance Minimum Level 15% of Revenues

— Fund Balance Goal 25% of Revenues

Unfunded General Fund Needs - \$4.6 million

- Police \$1.3 million
- Fire: \$2.3 million
- Operational loss due to RDCS suspension:
\$1.0 million

Unfunded Liabilities- ~~\$55.9~~ **\$61.1** million

- Public Employees Retirement System (PERS) - ~~\$52.5~~ **\$57.3** million
- Other Postemployment Benefits (OPEB) - ~~\$3.4~~ **\$3.8** million
- General Fund Share - 67% or ~~\$37.5~~ **\$40.9** million
- Current Funded Status
 - Misc. Plan – ~~72.9%~~ 71.8%
 - Safety Plan – ~~68.5%~~ 68.0%

Questions?



From: Christina Turner

To: Michelle Bigelow; Angie Gonzalez

Subject: Supplement for Item 8.b

Date: Tuesday, October 19, 2021

Q: Financial Recreation report - On what we know today, can we make the assumption that within the next year the Net Impact will improve to a positive number?

A: No. The program was already operating with a deficit prior to COVID-19 mainly due to services and programs that the City offers that are not intended to be cost neutral such as senior and youth services. However, staff anticipates continued improvement in Recreation Services revenue as more COVID-19 restrictions are being relaxed and we return to pre-COVID-19 normalcy.

Q: Special Revenue Fund "238 CAL HOMES" – can you explain this further?

A: It is a program from California Department of Housing and Community Development (HCD). The City received grants from HCD to assist first time home buyers through deferred payment loans for down payment assistance.

Q: Capital Project Fund "348 LIBRARY" – was this due to COVID?

A: No. Impact fees revenues are dependent on development activities, but their payments are mostly based on the issuance of certification of occupancy or completion. As such, it fluctuates greatly during any given year.

Q: Development Services Fund Activity "206 Development Services" – can you explain this negative number (-\$478,645)?

A: The negative Development Services number represents the fund balance. The fund had an operating deficit in the past few years thus exhausted all fund's available reserve. This is why an updated fee study, which is being finalized, is necessary.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 3, 2021

PREPARED BY: Rebecca Garcia, Housing Manager
APPROVED BY: City Manager

REFINANCE AND RE-SUBORDINATION OF MURPHY RANCH I & II APARTMENTS, FIRST COMMUNITY HOUSING

RECOMMENDATION(S)

1. Authorize City Manager to negotiate and approve re-subordination of the \$3,453,426 former City of Morgan Hill Redevelopment Agency (RDA) note on Murphy Ranch I and the \$3,406,574 note on Murphy Ranch II with First Community Housing (FCH) to a new first mortgage to support re-capitalization and rehabilitation of these properties. The agreement will be negotiated and subject to the review and approval by the City Attorney; and
2. Approve FCH's proposal to refinance two existing first mortgages from senior lender totaling \$5,605,813 on Murphy Ranch I and II with two new mortgage loans.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure
Preserving and Cultivating Public Trust
Enhancing Equity
Diversity and Inclusiveness

2020-2021 Strategic Priorities

Affordable Housing and Homelessness

GUIDING DOCUMENTS

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

In 2002, the former Redevelopment Agency of the City of Morgan Hill (RDA) provided loans in the amount of \$5,290,000 for the development of Murphy Ranch I and II, a 100 unit affordable housing family apartment community. There are two separate properties discussed in this report Murphy Ranch I and II. The first property is referred to as Murphy Ranch I, the owner is Murphy Ranch, L.P., a California limited partnership. The second property is named Murphy Ranch II and the owner is Murphy Ranch II, L.P., a California limited partnership, under the control of the board of directors of First Community Housing (FCH), a nonprofit affordable housing developer.

FCH is seeking to refinance and resubordinate existing loans in order to rehabilitate the property and harness additional funding for The Magnolias, a new 66 units of Very Low and Low income adjusted housing development in Morgan Hill. FCH intends to refinance their senior loan and secure a new loan of \$15,500,000 from their senior lender. The interest rate will change from 5.70% to 3.75%, requiring monthly payments of \$61,196, for a 15-year term with a 35-year amortization. The new monthly payment is

higher than FCH's existing monthly payment of \$50,259. The difference in the monthly payment of \$10,937 is meant to cover the projected rehab costs at both properties and will greatly benefit the City as it will keep the properties in good condition, funding the next development, and repay a portion of the City's loans. Because the City is a junior lender, the City must consent to the transaction. The following table summarizes the net benefit to the City:

City Payments Before Refinancing	City Payments After Refinancing
\$0 – Upfront Payment to City	\$450,000 – Upfront Payment to City
\$1,168,549 – 15 Year Net Present Value (5.70% Discount Rate) Payments to City	\$716,694 – 15 Year Net Present Value (3.75% Discount Rate) Payments to City
\$1,168,549 – Total Net Benefits to City	\$1,166,694 – Total Net Benefits to City

The loan proceeds will assist FCH to payoff a County loan of \$450,000, make a payment of \$450,000 to the City of Morgan Hill loan, make repairs and upgrades to Murphy Ranch I and II, which will reduce operating expenses, and support their organizational/staff capacity to continue our shared mission of building and preserving affordable housing.

Taking advantage of low interest rates will allow FCH to rehabilitate Murphy Ranch I and II, the need to support their organizational capacity, and to take advantage of the New State Level Tax Credit Equity Financing to fund The Magnolias Development and gap financing for other affordable housing communities at the City's discretion. The Magnolias project will help the City meets its Regional Housing Needs Allocation (RHNA) goals.

Staff supports FCH's intent to refinance to secure a lower interest rate and their attention to preserve the condition of Murphy Ranch I and II, while also generating potential funding for new construction. Staff recognizes the need for affordable housing developers, such as FCH, to refinance properties to ensure that they remain preserved and affordable. Additionally, the City's Housing Program will receive a payment of \$450,000 to the original loan.

Background:

Murphy Ranch I and II competed in the 1998 and 2001 Residential Development Control System (RDSCS) Measure P competition for affordable housing building allotments. This 100-unit community is located at the corner of Dunne and Butterfield Avenues and was built in two phases.

In February 2002, the former RDA lent \$5,290,000 to FCH for the Murphy Ranch project. The loan was divided and allocated to each of the two phases when the lot was split. The first RDA loan was \$3,453,426 million (Phase 1 Loan) and was allocated to the 62-unit, first phase of Murphy Ranch, while the balance of \$1,836,574 (Phase 2 Loan) was allocated to Murphy Ranch II, for the final 38-units. Then in 2004, the Murphy Ranch II loan (\$1,836,574) was amended and increased by \$1,570,000 (Phase 3 Loan) to \$3,406,574, this became the new loan balance on Murphy Ranch II loan. The total amount loaned to the FCH was \$6,860,000.

The phasing of the project and affordable financing constraints forced the creation of two ownership entities, Murphy Ranch, L.P., a California limited partnership, and Murphy Ranch II, L.P., a California limited partnership to leverage tax credit equity, thus the need to split the loan. Both phases of the project involved multiple subordinate lenders, County of Santa Clara HOME loans, Housing Trust Silicon Valley long-term financing, California Department of Housing and Community Development Multifamily Housing Program (MHP), California Housing Finance Agency School Facility Funds, and tax credit equity from two third-party, low-income housing tax credit investors. Construction of the 100-unit affordable housing community was completed in 2004 and 2005. One of the goals of the Murphy Ranch project was to provide for income diversity, thus, household incomes range from 22% to 60% of the Area Median Income (AMI) yielding monthly rents between \$650 and \$2,544, depending on household size. On average, this is 20% to 30% below maximum allowable rents. FCH remains committed to maintaining these favorable rents levels and preserving quality affordable rental housing in the City of Morgan Hill assuming minimal periodic adjustments based on regulatory restrictions.

Both the \$3,453,426 million loan for Murphy Ranch I (Phase 1 Loan) and the \$3,406,574 Murphy Ranch II (Phase 2 and 3 Loans) City loans would continue in their current structure as 55-year permanent loans at 4% simple interest, paid from residual receipts due in 2058.

FCH proposes financing the two sites separately to support ease of transaction and approvals with subordinate lenders that are not shared between the two phases at the Murphy Ranch Housing Apartment Complex. FCH will reimburse the City for any legal costs associated with these transactions. FCH plans to complete the refinancing of the Murphy Ranch Housing Apartment Complex by December 31, 2021.

The City of Morgan Hill's housing policy towards its multifamily housing partnerships is to provide stewardship to guaranty investment and re-investment in quality, long term housing stock. This generally results in supporting non-profit partners as they raise rehabilitation dollars for renovation of aging structures in the City of Morgan Hill.

Uses of the Loan Proceeds:

The uses proposed for the loan proceeds include performing critical and immediate repairs in excess of \$2.5 million at Murphy Ranch I and II. The primary scope of work is to complete roof repairs, security camera upgrades, repaint the building exteriors, complete common area and unit interior improvements, resurface parking areas, replace rotted fencing, and upgrade the heating, cooling, and ventilation systems at each building to support energy efficiency within 12 months of the closing of the refinancing. In addition, FCH will implement increased energy and water efficiency measures and pursue the installation of other energy efficient technologies to offset electricity usage where feasible. The estimate of the repairs is subject to final negotiations with the general contractors. The loan proceeds will enable FCH to repair and upgrade the property for the long-term benefit of the residents and the community.

Through this effort, FCH will earn a developer fee in accordance with the State of California's regulations controlling developer fee in the amount of \$1,433,453 to support FCH's capacity to build additional affordable housing.

FCH plans to pay \$450,000 towards the Phase 3 Loan upon the completion of the transaction, contingent on securing new permanent financing, and the ability to cover the costs for renovations and improvements. FCH seeks flexibility on this loan payment to ensure project funds are best utilized to address current and unforeseen renovation scope items.

There is no negative impact to the City by supporting the refinance of these loans. The cash flow to the City remains the same as the refinance honors the terms of the loan to the City. An added benefit is that the City will receive an early payment of \$450,000 (unless additional monies are needed to complete repairs). Lastly, the Developer will have additional cash-flow to support local housing projects such as the Magnolias, remaining cash proceeds from this refinance will allow FCH some relief from severe delays and costs escalations on other projects currently under construction resulting from the COVID pandemic. As such, this ensures First Community Housing will be able to deploy staffing and make the investments and financial commitments needed to accelerate development of The Magnolias.

It is in the City's interest to ensure FCH's fiscal health not only to keep the Magnolia's project on budget and on schedule, but also to be ready to respond to historic increases in affordable housing contemplated next year. At the state level, these new sources include the recent announcement by Governor Gavin Newsom's 22-billion-dollar plan to create over 84,000 units of additional income-based affordable housing and deploy over \$10 billion of that funding to fight homelessness in California. This is the largest investment in the state's history. In addition, Congress is currently supporting a plan to add funding that could bring over three hundred thousand units of additional affordable housing in California and a total of two million units of housing via adopting the Budget Reconciliation elements of the Affordable Housing Credit Improvement Act. Providing capacity building funding support will keep FCH available to assist Morgan Hill in taking advantage of this funding in 2022 and beyond.

COMMUNITY ENGAGEMENT: Inform

This report is intended to inform the Morgan Hill community of the recommended refinance and re-subordination of former RDA loans to FCH.

ALTERNATIVE ACTIONS:

As an alternative action, the City Council may decide to not approve the refinance and re-subordination of its loans and require FCH to repay the loans off in full.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council previously considered the terms of the loans in 2001 and 2002 with the initial funding of the Murphy Ranch Housing Apartments.

The second phase loan was amended in 2004.

FISCAL AND RESOURCE IMPACT:

With execution of the refinance, the City is anticipated to receive \$450,000 of loan repayments during Fiscal Year 2021-22 and will continue to receive repayment through residual receipts through the remainder of the term. Currently the City's Murphy Ranch I Loan is in 3rd position behind State HCD and AvidBank, and after the refinance this loan will remain in 3rd position behind State HCD and AvidBank. Currently the City's Murphy Ranch II Loan is in 2nd position behind AvidBank, and after the refinance this loan will remain in 2nd position behind AvidBank.

CEQA (California Environmental Quality Act):

These projects are Categorically Exempt pursuant to Section 15301 of CEQA Guidelines as proposed repairs, maintenance and minor alteration of existing facilities involving no expansion of existing use will not have a significant effect on the environment.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 3, 2021

PREPARED BY: Nichole Martin, Community Services Coordinator
APPROVED BY: City Manager

APPROVE COMMUNITY FUNDING REQUEST POLICY

RECOMMENDATION(S)

Approve recommended Community Funding Request Policy.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community
Preserving and Cultivating Public Trust

2020-2021 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

Annually, the City Council considers funding requests from local organizations that host community wide events, local programs and resources, and City partnerships. In the past, the requests for funding requests have been managed through separate processes, including the Community Promotions Funding requests (special event requests), fee waiver requests (facility use fee waivers), and partner organization program support funding. This funding helps support permit and City services costs for events that fit the criteria. The funding is supported entirely by the General Fund. The proposed Community Funding Request Policy aims to bring these processes into one streamlined process, which will allow the City Council to evaluate all funding requests annually.

The Policy outlines applicant criteria, application availability and deadlines, as well as the review and approval process. Applicants would be required to be a nonprofit organization and provide a program, event, or activity that provides a benefit to the Morgan Hill community. The applications would be available on the City's website annually in February and would be due in March. Applications would be reviewed through the Community Services Department and requested details would be included in the Budget review during the month of May or June. The City Manager will make a recommendation to the City Council based on the established Council priorities and funding restraints. The Policy also addresses requests initiated by members of the City Council.

The new Council Policy is intended to help align funding requests within a single process that is easy for community organizations to understand and apply for in a fair and equitable format. The process is also intended to provide the Council with the ability

to evaluate funding holistically for all organizations applying for it and against competing funding priorities for the entire City.

COMMUNITY ENGAGEMENT: Inform

Community Services Department staff has worked to continue dialogue with organizations that currently receive City funding regarding updates to the process. Should the new process be approved, the City website would be updated to make the application process available to community organizations.

ALTERNATIVE ACTIONS:

The Council could choose to not approve the Policy, approve the Policy with changes, or provide additional direction to staff to return with a revised policy.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Annually, the City Council reviews the requests for funding by various groups to support community events, programs, and activities.

FISCAL AND RESOURCE IMPACT:

The total costs would be dependent on the funding requests submitted each fiscal year and the requests approved with the budget process. The Community Funding requests would be budgeted within the City Council's budget (GL#: 010.1100.42413), in the General Fund (010).

CEQA (California Environmental Quality Act): Not a Project

Since the resulting activity is an administrative program that will not result in a change to the physical environment, this action is not a project under the California Environmental Quality Act.

LINKS/ATTACHMENTS:

1. Community Funding Request Policy

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-21-XX

SUBJECT: CITY COUNCIL FUNDING REQUESTS

EFFECTIVE DATE: NOVEMBER 3, 2021

REVISED DATE: NA

ORIGINATING DEPARTMENT: COMMUNITY SERVICES DEPARTMENT

Purpose

The purpose of this policy is to establish a process for community organizations to request funding to support fee waivers, event sponsorship, and other funding requests from the City Council. The policy is intended to allow the City Council to fully evaluate all funding requests at one time along with budget appropriation.

Policy

1. Applicant Criteria
 - a. The organization requesting funding must be a nonprofit.
 - b. The program, event, or activity provides a direct benefit to the Morgan Hill community.
 - c. Programs in alignment with the City Council's Goals and Priorities shall be given priority. City Council priorities are established by the City Council in January of each year.
 - d. Each organization must submit an inclusivity statement describing how the organization and/or the proposed activity is inclusive of the entire community.
 - e. Existing programs and events may be given priority.
2. Application Availability and Deadline
 - a. Applications for the next Fiscal Year (July-June) will be available on the City's website annually in February.
 - b. Completed applications will be due annually in March.
3. Review and Approval Process
 - a. Applications will be reviewed by the City staff.
 - b. Funding applications and details will be included annually in the Budget Development or Mid-Cycle Budget Review process.
 - c. The City Manager will make recommendations on funding to the City Council based on established Council priorities and funding constraints.
 - d. The City Council shall award and include final funding within the Budget.
4. Reporting Requirements
 - a. Within thirty days following the conclusion of the funded activity, the organization must submit a report to the City reporting out pertinent information related to the activity. For ongoing activities, an annual report must be submitted by July 30 for the prior fiscal year.

- b. The report shall include a record of the use of City funds and statistics and information that provides details on the activity's impact to the community.
- 5. Late Requests
 - a. Requests received after the deadline shall not be accepted by City staff.
- 6. Council Member Initiated Event and Fee Waiver Requests
 - a. A member of the City Council may request a fee waiver or funding be provided for an event by informing the City Manager of the request 90 days in advance to allow sufficient time to bring to City Council for approval.
 - b. All Council Member initiated requests occurring after the deadline must be provided to the City Manager 90 days in advance.
 - c. The City Staff shall prepare a report for the City Council for approval of any Council Member initiated requests.

This policy shall remain in effect until modified by the City Council.

APPROVED:

RICH CONSTANTINE, MAYOR

From: [D. Muirhead](#)
To: [CC Public Comment](#)
Subject: [EXTERNAL] Re: comment City Council November 1 2021 Consent Item #1: no in-person meetings
Date: Monday, November 1, 2021 12:15:15 PM

correction: meeting is November 3 (cut-and-paste failure :-() ...ddm

On Mon, Nov 1, 2021 at 12:11 PM D. Muirhead <[REDACTED]> wrote:

Dear Morgan Hill City Council,

Comments for your meeting:

Morgan Hill City Council November 1 2021

Consent Item #1: resolve no in-person meetings

Thank you for your consideration, Doug Muirhead, Morgan Hill

Thank you for the opportunity to use the word "disingenuous".

Of its many definitions, this one seems most appropriate:

lacking in frankness, candor, or sincerity

Your "findings" to justify the resolution

1. The conduct of in-person public meetings would pose imminent risks to the health of attendees.

use recommendations from early days of the pandemic.

You do not give any statistics for Santa Clara County nor Morgan Hill.

Schools and businesses have resumed indoor activities.

Patrons are dining in-doors. Gilroy has resumed in-person meetings

with the Mayor at Saturday Coffee as well as in-person Council meetings.

As is too often the case, staff claims COMMUNITY ENGAGEMENT: Not Applicable.

At your October 6 meeting on this subject, a supplement from City Manager

Turner to City Clerk/Engagement Manager Bigelow teased the future of in person and hybrid meetings:

Q: Are we prepared for in person and the hybrid zoom technology?

A: We are working on this issue currently but are not quite there.

Our contractor found an issue with the system last week and is working to resolve it. We then need to test the zoom meetings before going live with hybrid meetings.

Today you chose to say nothing about the future.

Another "D" word: Disappointed

WARNING: This message is from an external user. Confidential information such as social security numbers, credit card numbers, bank routing numbers, gift card numbers, wire transfer information and other personally identifiable information should not be transmitted to this user. For question, please contact the Morgan Hill IT Department by opening a new helpdesk request online or call 408-909-0055.

From: Christina Turner

To: Michelle Bigelow; Angie Gonzalez

Subject: Supplement for Item 2

Date: Monday, November 1, 2021

Q: What is the expected ROI (old vs. new) savings on the City's new Enterprise Resource Planning (ERP) system? With the newer system in place, what areas of improvement will be realized?

A: The City's primary purpose for selecting the new ERP is to replace an outdated system which is being phased out as the vendor is no longer providing new updates. That being said, the new system is more user friendly with a bigger support team as well as a bigger user base, over 1,900 municipal agencies using Tyler Munis versus about 160 for Eden, that can be accessed and exchanging of information. In addition, the existing system is having compatibility issue with other City's systems such as GIS and CityWorks that requires time consuming and costly workarounds. With the one-time funding from the American Rescue Plan Act, the City is able to take advantage of the deep discount offered by Tyler Technologies in upgrading to the new system as well as reduced implementation cost due to the two platforms (old and new) coming from the same vendor.

Q: Is there any project creep anticipated in the Work Breakdown Structure?

A: The City team has worked diligently with the vendor to ensure the modules and features selected met the City's needs and that there are no unmet needs that the team did not address and/or unwanted modules or features unnecessary included in the scope of work. However, as with any large project, there may be unanticipated issues that arise and change the project or scope, although staff is confident in keeping the changes to a minimum to ensure the project is on time and within budget.

From: Christina Turner

To: Michelle Bigelow; Angie Gonzalez

Subject: Supplement for Item 7

Date: Monday, November 1, 2021

Q: Community Services Expenditures – why is the percent spent at 31%? Is it because of COVID?

A: The Community Services expenditures, including encumbrances, through September 30, 2021, is at 31%, higher than 25% of the year complete mainly due to encumbrances. However, without encumbrances, expenditures through September is only at 18% of budget compared to pre-COVID of 23% for quarter ended September 30, 2019. Encumbrances are contracts or agreements that the City entered into, but not yet paid either because services have not been rendered or obligations have not been satisfied. Activities for Recreation Services continue to be constrained due to indoor mask mandate thus lower revenue as well as lower expenditures.

Q: Administrative Citations Revenue through September 30, 2021, is \$2,182, a decrease of \$4,018 compared to prior year to date of \$6,200. Is this amount due to COVID?

A: Not necessarily. Administrative Citations revenue is based on the number of citations or tickets issued to violators and the number of violations in any given time is almost impossible to forecast.



Community Funding Request Policy



Policy – Applicant Criteria



- The organization requesting funding must be a nonprofit.
- The program, event, or activity provides a direct benefit to the Morgan Hill community.
- Programs in alignment with the City Council's Goals and Priorities shall be given priority. City Council priorities are established by the City Council in January of each year.
- Each organization must submit an inclusivity statement describing how the organization and/or the proposed activity is inclusive of the entire community.
- Existing programs and events may be given priority.

Policy – Availability/Deadline



- Applications for the next Fiscal Year (July-June) will be available on the City's website annually in February.
- Completed applications will be due annually in March.

Policy – Review & Approval



- Applications will be reviewed by the City staff.
- Funding applications and details will be included annually in the Budget Development or Mid-Cycle Budget Review process.
- The City Manager will make recommendations on funding to the City Council based on established Council priorities and funding constraints.
- The City Council shall award and include final funding within the Budget.

Policy – Other Factors



- Reporting Requirements
- Within thirty days following the conclusion of the funded activity, the organization must submit a report to the City reporting out pertinent information related to the activity. For ongoing activities, an annual report must be submitted by July 30 for the prior fiscal year.
- The report shall include a record of the use of City funds and statistics and information that provides details on the activity's impact to the community.
- Late Requests - Requests received after the deadline shall not be accepted by City staff.

Policy – Council Requests



- A member of the City Council may request a fee waiver or funding be provided for an event by informing the City Manager of the request 90 days in advance to allow sufficient time to bring to City Council for approval.
- All Council Member initiated requests occurring after the deadline must be provided to the City Manager 90 days in advance.
- The City Staff shall prepare a report for the City Council for approval of any Council Member initiated requests.

Questions?





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Questions?





Special - Regular Meeting Agenda

City Council

Rich Constantine - Mayor
John McKay - Mayor Pro Tem
Gino Borgioli - Council Member
Yvonne Martinez Beltran - Council Member
Rene Spring - Council Member

Wednesday, November 3, 2021 6:00 p.m.

Virtual Meeting

CLOSED SESSIONS ARE NOT OPEN TO THE PUBLIC. YOU MAY JOIN THE MEETING AT 6:00 P.M. TO SUBMIT PUBLIC COMMENT FOR CLOSED SESSION ITEMS THEN EXIT AND REJOIN THE REGULAR MEETING AT 7:00 P.M.

VIRTUAL MEETING GUIDELINES AND PUBLIC COMMENT

In accordance with Executive Order N-25-20 and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. Physical meetings will not be in the City Council Chamber until further notice.

City Council meetings will be live streamed on Channel 17, on the City's website and on the City's Facebook page. Those members of the community that would like to participate in the meetings remotely may do so by joining the virtual meeting at: <https://bit.ly/MHCityCouncilMeeting> or by calling in to: (669) 900-9128, then enter the webinar id: 873 3200 8380#.

Public comment may be provided in the following ways:

- Join the virtual City Council meeting via the link above, when public comment is opened, raise your virtual hand and be called upon to speak for up to 3 minutes
 - In order to speak, please be sure that your version of Zoom is up to date.
- Join the virtual meeting by calling in to the number above, dial *9 to raise your hand and be called upon to speak for up to 3 minutes
- Send public comments in writing to the City Clerk at ccpubliccomment@morganhill.ca.gov ccpubliccomment@morganhill.ca.gov

* Please note that comments made on Facebook are not considered public comment.

SPECIAL/REGULAR MEETING

A special meeting of the City Council is called at 6:00 p.m. for the purpose of conducting a closed session.

6:00 p.m. Closed Session

7:00 p.m. Regular Meeting

SPECIAL MEETING

6:00 p.m. Closed Session

CALL TO ORDER

Mayor Constantine

ROLL CALL ATTENDANCE

City Clerk Michelle Bigelow

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2

City Clerk Michelle Bigelow

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Authority: Government Code 54957(b)(1)

Title: City Manager

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Authority: Government Code 54957(b)(1)

Title: City Attorney

CONFERENCE WITH LABOR NEGOTIATOR

Authority: Pursuant to Government Code Section 54957.6

City Negotiators: Christina Turner, City Manager; Donald Larkin, City Attorney;
Michael Horta, Human Resources Director;
Dat Nguyen, Finance Director

Employee Organization: Morgan Hill Police Officers Association
Employees Covered under Management Resolution #21-025
AFSCME Local 101 Morgan Hill

November 3, 2021

REGULAR MEETING

7:00 p.m.

The City Council has adopted a policy that regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority of the City Council.

PRESENTATIONS

End of Session Legislative Update- Senator John Laird

PROCLAMATIONS

Proclaiming the Month of November as Philanthropy Month

CITY COUNCIL REPORTS

Mayor Constantine

CITY MANAGER'S REPORT

City Manager Christina Turner

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin

OTHER REPORTS

PUBLIC COMMENT

Members of the public are entitled to address the City Council concerning any item within the Morgan Hill City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda. (See additional noticing at the end of this agenda)

ADOPTION OF AGENDA

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Pursuant to City Council Policies and Procedures (CP 97-01), any member of the Council or public may request to have an item removed from the Consent Calendar for comment and action.

Time Estimate for Consent Calendar: 1 - 10 Minutes

1. ADOPT RESOLUTION DETERMINING THAT CONDUCTION OF IN-PERSON MEETINGS WOULD PRESENT A PUBLIC HEALTH RISK AND CONTINUING TELECONFERENCE MEETINGS

Recommendation:

Adopt resolution to continue holding City Council and commission meetings by teleconference.

2. APPROVE AGREEMENT WITH TYLER TECHNOLOGIES FOR A NEW ENTERPRISE RESOURCE PLANNING SYSTEM

Recommendation:

Approve and authorize the City Manager to execute an agreement with Tyler Technologies for a New Enterprise Resource Planning System for a total of \$796,864, including a \$140,690 contingency.

3. APPROVE AGREEMENT WITH TESCO CONTROLS, INC. FOR SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEMS INTEGRATION CONSULTING SERVICES

Recommendation:

Approve and authorize the City Manager to execute a consulting agreement with Tesco Controls, Inc. in the not to exceed amount of \$87,090 for SCADA systems integration services.

4. APPROVE THE OCTOBER 6, 2021 MEETING MINUTES

Recommendation:

Approve Minutes.

5. APPROVE THE OCTOBER 20, 2021 MEETING MINUTES

Recommendation:

Approve Minutes.

6. AWARD COMMUNITY AND CULTURAL CENTER AND CENTENNIAL RECREATION CENTER SENIOR CENTER FLOORING PROJECT TO BT MANCINI COMPANY, INC.

Recommendation:

1. Award contract to BT Mancini Company, Inc. in the amount of \$63,497 for the Community and Cultural Center and Centennial Recreation Center Senior Center Flooring Replacement Project;
2. Authorize the expenditure of 10% contingency funds not to exceed \$6,349; and
3. Authorize the City Manager to execute and administer that certain contract with BT Mancini Company, Inc.

OTHER BUSINESS

7. RECEIVE MONTHLY BUDGET UPDATE; SEPTEMBER 2021 FINANCIAL AND INVESTMENT REPORTS; AND CITY MANAGER AUTHORITY REPORT

Recommendation:

Accept and file report.

Estimated Time: 15 Minutes

8. REFINANCE AND RE-SUBORDINATION OF MURPHY RANCH I & II APARTMENTS, FIRST COMMUNITY HOUSING

Recommendation:

1. Authorize City Manager to negotiate and approve re-subordination of the \$3,453,426 former City of Morgan Hill Redevelopment Agency (RDA) note on Murphy Ranch I and the \$3,406,574 note on Murphy Ranch II with First Community Housing (FCH) to a new first mortgage to support re-capitalization and rehabilitation of these properties. The agreement will be negotiated and subject to the review and approval by the City Attorney; and
2. Approve FCH's proposal to refinance two existing first mortgages from senior lender totaling \$5,605,813 on Murphy Ranch I and II with two new mortgage loans.

Estimated Time: 20 Minutes

9. APPROVE COMMUNITY FUNDING REQUEST POLICY

Recommendation:

Approve recommended Community Funding Request Policy.

Estimated Time: 30 Minutes

FUTURE COUNCIL INITIATED AGENDA ITEMS

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT

NOTICE

Any documents produced by the City and distributed to the majority of the City Council less than 72 hours prior to an open meeting, will be made available for public inspection at the City Clerk's Counter at City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 and at the Morgan Hill Public Library located at 660 West Main Avenue, Morgan Hill, California, 95037 during normal business hours. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the City Council concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address the Council on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Council Chambers and deliver it to the Minutes Clerk prior to discussion of the item. You are not required to give your name on the speaker card in order to speak to the Council, but it is very helpful. When you are called, proceed to the podium and the Mayor will recognize you. If you wish to address the City Council on any other item of interest to the public, you may do so during the public comment portion of the meeting following the same procedure described above. Please limit your comments to three (3) minutes or less.

Please submit written correspondence to the Minutes Clerk, who will distribute correspondence to the City Council.

Persons interested in proposing an item for the City Council agenda should contact a member of the City Council who may plan an item on the agenda for a future City Council meeting. Should your comments require Council action, your request may be placed on the next appropriate agenda. Council discussion or action may not be taken until your item appears on an agenda. This procedure is in compliance with the California Public Meeting Law (Brown Act) Government Code §54950.

City Council Policies and Procedures (CP 03-01) outlines the procedure for the conduct of public hearings. Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the City Council, which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.

For a copy of City Council Policies and Procedures CP 97-01, please contact the City Clerk's office (408) 779-7259, (408) 779-3117 (fax) or by email cityclerk@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (408)779-7259, (408)779-3117 (fax) or by email cityclerk@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting.

SUSTAINABLE MORGAN HILL



VISION

To sustain a safe, equitable, inclusive, socially responsible, environmentally conscious, and economically sound community

Choose Morgan Hill

The City of Morgan Hill is the best community for people to live, work, visit, and operate their businesses.

City Council Ongoing Priorities

- Enhancing Public Safety
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining Infrastructure
- Supporting our Youth, Seniors, and Entire Community
- Fostering a Positive Organizational Culture
- Preserving and Cultivating Public Trust
- Preserving our Community History
- Enhancing Equity, Diversity, and Inclusiveness
- Advancing Regional Initiatives
- Advocating for Local Control

2020-2021 Strategic Priorities

- **Fiscal Sustainability**
- Affordable Housing and Homelessness
- Community Outreach, Engagement, and Messaging
- Economic Development
- Transportation



These strategic priorities were established prior to the COVID-19 pandemic. In light of recent events, we recognize that all of these goals and priorities will be viewed through the lens of the global pandemic, and we will continue to have equity, public health, and financial responsibility in mind.