



CITY COUNCIL  
HOUSING AUTHORITY AND  
SUCCESSOR AGENCY TO THE EL CAJON  
REDEVELOPMENT AGENCY

Council Chamber  
200 Civic Center Way  
El Cajon, CA 92020

## Agenda

OCTOBER 27, 2020, 3:00 p.m.

**Please note that, pursuant to the State of California Governor's Executive Order N-29-20, and in the interest of the public health and safety, members of the City Council and Staff may attend the meeting telephonically.**

**Further, Orders from the San Diego County Health Officer prevent persons other than City officials and essential employees to be physically present.**

**In accordance with the Executive Order, and in compliance with the County Health Officer's Orders, the public may view the meeting on the City's website. Please visit <https://www.cityofelcajon.us/videstreaming> for more details.**

**To submit comments on an item on this agenda, or a Public Comment, please visit the City's website at <https://www.cityofelcajon.us/videstreaming>. Comments will be accepted up to the conclusion or the vote of each item. Comments will be limited to 300 words and will be entered into the official Council Meeting Record. The City Council will endeavor to include all comments prior to taking action.**

**If you find that you are unable to submit a comment through the website, please contact the City Clerk's Office at (619) 441-1763, not later than 2:30 p.m. prior to the start of the City Council Meeting.**

**Should technical difficulties arise, they will be resolved as soon as possible.**

Bill Wells, Mayor  
Phil Ortiz, Deputy Mayor  
Steve Goble, Councilmember  
Gary Kendrick, Councilmember  
Bob McClellan, Councilmember

Graham Mitchell, City Manager  
Vince DiMaggio, Assistant City Manager  
Morgan Foley, City Attorney  
Angela Cortez, City Clerk

**CALL TO ORDER: Mayor Bill Wells**

**ROLL CALL: City Clerk Angela Cortez**

**PLEDGE OF ALLEGIANCE TO FLAG AND MOMENT OF SILENCE**

**POSTINGS:** The City Clerk posted Orders of Adjournment of the October 13, 2020, Meeting and the Agenda of the October 27, 2020, Meeting in accordance to State Law and Council/Authority/Successor Agency to the Redevelopment Agency Policy.

**PRESENTATIONS:**

**Presentation: North Marshall Dog Park Virtual Ribbon Cutting**

**AGENDA CHANGES:**

**CONSENT ITEMS:**

Consent Items are routine matters enacted by one motion according to the RECOMMENDATION listed below. With the concurrence of the City Council, a Council Member or person in attendance may request discussion of a *Consent Item* at this time.

1. Minutes of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Meetings

RECOMMENDATION:

That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency approves Minutes of the October 13, 2020, Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

2. Warrants

RECOMMENDATION:

That the City Council approves payment of Warrants as submitted by the Finance Department.

3. Approval of Reading Ordinances by Title Only

RECOMMENDATION:

That the City Council approves the reading by title and waives the reading in full of all Ordinances on the Agenda.

4. El Cajon Police Officers' Association Management Group (ECPOA-MG) 2017-2019 Memorandum of Understanding (MOU) Contract Amendment driven by CalPERS Compliance Review findings.

RECOMMENDATION:

That the City Council approves the contract amendment for the ECPOA-MG 2017-2019 MOU.

5. 2020 Investment Policy Update

RECOMMENDATION:

That the City Council and Housing Authority, respectively, adopts the next Resolution, in order, adopting the City of El Cajon Investment Policy and delegating investment authorities to the Director of Finance/Authority Treasurer.

**PUBLIC COMMENT:**

At this time, any person may address a matter within the jurisdiction of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency that is not on the Agenda. Comments relating to items on today's docket are to be taken at the time the item is heard. State law prohibits discussion or action on items not on the Agenda; however, Council, Authority and Agency Members may briefly respond to statements or questions. An item may be placed on a future Agenda.

**WRITTEN COMMUNICATIONS:**

**PUBLIC HEARINGS:**

**ADMINISTRATIVE REPORTS:**

6. Adoption of a Pension Funding Policy

**RECOMMENDATION:**

That the City Council adopts the next Resolution, in order, to approve a Pension Funding Policy.

7. Cooperative Agreement - Citywide Enterprise Resource Planning (ERP) Software

**RECOMMENDATION:**

That the City Council adopts the next Resolution, in order, to enter into an agreement for an Enterprise Resource Planning software program with Tyler Technologies, Inc., in the amount of \$1,867,266 for service through June 30, 2026, with the option to renew for five additional five-year terms.

8. COVID-19 Status Report

**RECOMMENDATION:**

No action required.

**COMMISSION REPORTS:**

**ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS:**

SANDAG (San Diego Association of Governments) Board of Directors; SANDAG – Audit Committee, San Diego Division; Heartland Fire Training JPA – Alternate; League of California Cities, San Diego Division; LAFCO.

9. Council Activity Report

**ACTIVITIES REPORTS/COMMENTS OF COUNCILMEMBERS:**

10. **COUNCILMEMBER GARY KENDRICK**  
METRO Commission/Wastewater JPA; Heartland Communications; Heartland Fire Training JPA.; East County Advanced Purification JPA.
11. **COUNCILMEMBER BOB MCCLELLAN**  
MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate

12. **COUNCILMEMBER STEVE GOBLE**  
SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate; Chamber of Commerce – Government Affairs Committee; MTS (Metropolitan Transit System Board) – Alternate; East County Advanced Purification JPA - Alternate.
  
13. **DEPUTY MAYOR PHIL ORTIZ**  
East County Economic Development Council.

**JOINT COUNCILMEMBER REPORTS:**

**GENERAL INFORMATION ITEMS FOR DISCUSSION:**

**ORDINANCES: FIRST READING**

**ORDINANCES: SECOND READING AND ADOPTION**

**CLOSED SESSIONS:**

**ADJOURNMENT: The Adjourned Regular Joint Meeting of the El Cajon City Council/ El Cajon Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 27th day of October 2020, is adjourned to Tuesday, November 10, 2020, at 3:00 p.m.**



City Council  
Agenda Report

Agenda Item 1.

**DATE:** October 27, 2020

**TO:** Honorable Mayor and City Councilmembers

**FROM:**

**SUBJECT:** Minutes of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Meetings

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**RECOMMENDATION:**

That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency approves Minutes of the October 13, 2020, Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

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Attachments

10-13-20 DRAFT minutes 3PM

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# JOINT MEETING OF THE EL CAJON CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY



## MINUTES

### CITY OF EL CAJON EL CAJON, CALIFORNIA

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**October 13, 2020**

A Regular Joint Meeting of the El Cajon City Council/Housing Authority/ Successor Agency to the El Cajon Redevelopment Agency, held Tuesday, October 13, 2020, was called to order by Mayor/Chair Bill Wells at 3:00 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California.

#### **ROLL CALL**

Council/Agencymembers via virtual platform: Goble, Kendrick and McClellan  
Council/Agencymembers absent: None  
Deputy Mayor/Vice Chair via virtual platform: Ortiz  
Mayor/Chair present via virtual platform: Wells  
Other Officers present via virtual platform: Mitchell, City Manager/Executive Director  
DiMaggio, Assistant City Manager  
Foley, City Attorney/General Counsel  
Cortez, City Clerk/Secretary

**PLEDGE OF ALLEGIANCE TO FLAG led by Mayor Wells and MOMENT OF SILENCE.** (The Courts have concluded that sectarian prayer, as part of City Council Meetings, is not permitted under the Constitution).

**POSTINGS:** The City Clerk posted Orders of Adjournment of the September 22, 2020, meeting and the Agenda of the October 13, 2020, meeting in accordance with State Law and El Cajon City/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Policy.

**PRESENTATIONS:**

Presentation: 92020 Day

Proclamation: National Planning Month

**AGENDA CHANGES:** None

**CONSENT ITEMS: (1 – 11)**

**MOTION BY WELLS, SECOND BY McCLELLAN, to APPROVE Consent Items 1 to 11.**

**MOTION CARRIED BY UNANIMOUS VOTE.**

1. Minutes of El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Meetings

Approves Minutes of the September 22, 2020, Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

2. Warrants

Approves payment of Warrants as submitted by the Finance Department.

3. Approval of Reading Ordinances by Title only

Approves the reading by title and waives the reading in full of all Ordinances on the Agenda.

4. Classification Specification Revision and Title Change: Police Agent to Police Corporal

Approves the proposed revision and title change from Police Agent to Police Corporal.



**CONSENT ITEMS: (Continued)**

5. 2021 Calendar of Meetings for the City Council/Housing Authority and Successor Agency to the Former Redevelopment Agency

Reviews the proposed 2021 calendar of meetings for the City Council/Housing Authority and Successor Agency to the Former Redevelopment Agency, makes appropriate modifications, or accepts as presented.

6. Contract Amendment for Pest Control Services

Adopts Resolution No. 102-20 to increase the contract for pest control services in the not-to-exceed amount of \$7,600.

7. FY 2020 U.S. Department of Justice Edward Byrne Memorial Justice Assistance Grant (JAG) Award

1. Authorizes the City Manager, or designee, to accept the FY 2020 U.S. Department of Justice Edward Byrne Memorial JAG Grant in the amount of \$28,737 and to execute any grant documents and agreements necessary for the receipt and use of these funds; and
2. Appropriates \$28,737 of the FY 2020 U.S. Department of Justice JAG Grant to purchase twenty 3M Model N49 Ballistic Helmets (\$21,076), a Vehicle Firearm Vault (\$3,500), a Tommy Lift Gate System (\$3,285), and pay for 20 Hours of National Incident-Based Reporting System (NIBRS) Compliance Research (\$876).

8. Lease Agreement with Armstrong Garden Centers, Inc.

Adopts Resolution No. 103-20 to authorize the City Manager to execute a lease agreement with Armstrong Garden Centers, Inc., for the use of City-owned property.

9. Delegating Authority to the City Manager to Determine the Nature of Employee Disabilities on Behalf of the City and to Certify Such Disabilities to CalPERS

Adopts Resolution No. 104-20 delegating authority to the City Manager to determine the nature of employee disabilities on behalf of the City and to certify such disabilities to CalPERS.

**CONSENT ITEMS: (Continued)**

10. Amendment for Mobile Power Station Equipment

Adopts Resolution No. 105-20 to:

1. Authorize an increase to the purchase agreement with DD DANNAR, LLC., in the not-to-exceed amount of \$8,893.82; and
2. Revise Resolution No. 024-20 from the March 24, 2020 City Council meeting to reflect the correct award amount of \$436,835.

11. Contract Amendment for City Hall Renovations (COVID-19)

Adopts Resolution No. 106-20 to increase the contract for additional floor covering materials in the not-to-exceed amount of \$10,375.25.

**PUBLIC COMMENT:**

Stephanie Harper submitted an online comment regarding transparency in government, and the rumors of a District Two candidate who is presumed to not live within the district they are running for.

Julyla Harris submitted an online comment stating people who do not live within a district should not be running for a council seat of a district they do not represent.

Amanda Mergens submitted an online comment demanding that only those living within a district run to represent that district.

Three anonymous comments were submitted expressing concerns for people running for districts they do not live in.

**WRITTEN COMMUNICATIONS:** None

**PUBLIC HEARINGS:** None

## ADMINISTRATIVE REPORTS:

### 12. Fiscal Year 2020-21 First Quarter Report

#### RECOMMENDATION:

That the City Council:

1. Appropriates carry-over funding of \$4,167,408 from previously approved Capital Improvement Projects, capital outlay requests, and programs to be expended in Fiscal Year 2020-21; and
2. Increases or modifies Fiscal Year 2020-21 appropriations in the net amount of \$2,514,709 for additional needs as detailed in the report.

#### DISCUSSION

Director of Finance, Clay Schoen, provided detailed information of the Item.

Discussion ensued among Council and Staff concerning the following:

- Multiple businesses vacant in the City;
- Sales tax performance expectations;
- Protecting the investment to the Magnolia by maintaining a functional building;
- Clarification that the general funds are to be transferred to a higher yielding account for Public Agency Retirement Services (PARS).

No comments were submitted for this Item.

**MOTION BY McCLELLAN, SECOND BY KENDRICK, to APPROPRIATE carry-over funding of \$4,167,408 from previously approved Capital Improvement Projects, capital outlay requests, and programs to be expended in Fiscal Year 2020-21; and Increase or modify Fiscal Year 2020-21 appropriations in the net amount of \$2,514,709 for additional needs as detailed in the report.**

**MOTION CARRIED BY UNANIMOUS VOTE.**

### 13. Allocation of CARES Act-CDBG Funds

#### RECOMMENDATION:

That the City Council provides direction to staff on the allocation of CARES Act-CDBG funds.

**ADMINISTRATIVE REPORTS: (Item 13 – Continued)**

**DISCUSSION**

City Manager Mitchell provided detailed information of the Item.

Discussion ensued among Council and Staff concerning the following:

- Consideration for mortgage assistance for city of El Cajon citizens;
- Checks are made to utility companies or landlords, not individuals;
- Increase to motel voucher availability; and
- Funds to be expended within a three-year time frame.

No comments were submitted for this Item.

**MOTION BY GOBLE, SECOND BY KENDRICK, to ACCEPT the recommendations by staff, and to allocate an additional \$50,000 to the motel voucher program.**

**MOTION CARRIED BY UNANIMOUS VOTE.**

**COMMISSION REPORTS:** None

**ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS:**

SANDAG (San Diego Association of Governments) Board of Directors; SANDAG – Audit Committee; League of California Cities, San Diego Division; Heartland Fire Training JPA – Alternate; League of California Cities, San Diego Division; LAFCO.

14. Council Activities Report/Comments

Report as stated.

15. Legislative Update

Report as presented.

**ACTIVITIES REPORTS OF COUNCILMEMBERS:**

16. COUNCILMEMBER GARY KENDRICK  
METRO Commission/Wastewater JPA; Heartland Communications; Heartland Fire Training JPA; East County Advance Water Purification Joint Powers Authority Board.

Council Activities Report/Comments.

Report as stated.

17. COUNCILMEMBER BOB MCCLELLAN  
MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate.

Council Activities Report/Comments.

Report as stated.

18. COUNCILMEMBER STEVE GOBLE  
SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate; Chamber of Commerce – Government Affairs Committee; MTS (Metropolitan Transit System Board) – Alternate; East County Advance Water Purification Joint Powers Authority Board – Alternate.

Council Activities Report/Comments.

In addition to the submitted report, Councilmember Goble suggested a follow up report on unnecessary 911 calls, and he expressed concern of the city allowing too many storage units.

19. DEPUTY MAYOR PHIL ORTIZ  
East County Economic Development Council.

Council Activities Report/Comments.

Report as stated.

Mayor Wells suggested a regular update on the COVID-19 situation in the City.

**JOINT COUNCILMEMBER REPORTS:** None

**GENERAL INFORMATION ITEMS FOR DISCUSSION:** None

**ORDINANCES: FIRST READING -** None

**ORDINANCES: SECOND READING AND ADOPTION -** None

**CLOSED SESSIONS:** None

**Adjournment:** Mayor Wells adjourned the Regular Joint Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 13<sup>th</sup> day of October, 2020, at 4:21 p.m., to Tuesday, October 27, 2020, at 3:00 p.m.

**DRAFT**  
ANGELA L. CORTEZ, CMC  
City Clerk/Secretary



City Council  
Agenda Report

**DATE:** October 27, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Marisol Thorn, Director of Human Resources  
**SUBJECT:** El Cajon Police Officers' Association Management Group (ECPOA-MG) 2017-2019 Memorandum of Understanding (MOU) Contract Amendment driven by CalPERS Compliance Review findings.

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**RECOMMENDATION:**

That the City Council approves the contract amendment for the ECPOA-MG 2017-2019 MOU.

**BACKGROUND:**

In October 2019, the City of El Cajon was audited by CalPERS for compliance of pay schedule requirements. Observations, also known as findings, were issued to the City on June 12, 2020. One of the observations noted was that the 2017-2019 ECPOA-MG MOU did not include a pay schedule that was in compliance with Government Code sections 20636 and 7522.34 and CCR sections 570.5 and 571.1. Specifically, the MOU did not identify the listed pay rates on the pay schedule for Police Lieutenant and Police Captain as "Hourly." As a result, and in order to not jeopardize retirement payments for those retired individuals who were sampled during the audit, staff recommends amending the ECPOA-MG MOU to identify the listed pay rates as "Hourly."

**FISCAL IMPACT:**

There are no fiscal impacts as a result of this contract amendment.

Prepared By: Marisol Thorn, Director of Human Resources

Reviewed By:

Approved By: Graham Mitchell, City Manager

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Attachments

Side Letter

Amended Contract

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**SIDE LETTER OF AGREEMENT  
BETWEEN**

**THE CITY OF EL CAJON**

**AND**

**THE EL CAJON POLICE OFFICERS' ASSOCIATION MANAGEMENT GROUP**

This Side Letter of Agreement ("Agreement") between the City of El Cajon ("City") and the El Cajon Police Officers' Association Management Group ("ECPOA-MG") (collectively "Parties") is entered into with respect to the following:

**WHEREAS**, the City was audited by CalPERS' Office of Audit Services October 2019; and

**WHEREAS**, the City was issued the CalPERS Employer Compliance Review on June 12, 2020; and


**WHEREAS**, the City was issued an Observation for the ECPOA-MG pay schedule, for labor agreement contract term 2017-2019:

The Employer's pay schedule in effect July 1, 2017 for the El Cajon Police Officers' Association Management Group (ECPOA-MG) did not indicate the time base for each payrate. Therefore, reported payrates for employees of Bargaining Unit ECPOA-MG did not meet the definition of payrate and cannot be used to calculate retirement benefits. Government Code sections 20636 and 7522.34 and CCR sections 570.5 and 571.1 state that payrates must be reported pursuant to a publicly available pay schedule that indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually. The Employer explained it was an oversight and they had ensured that the time base was listed on the current pay schedules from fiscal year 2019 through 2024.

**NOW THEREFORE**, the parties agree as follows:

The pay schedule in the ECPOA-MG 2017-2019 Labor Agreement will be amended to reflect the appropriate time base. The time base payrate will state "Hourly" under Article 3, Section A, Police Lieutenant and Police Captain headings (page 8), and therefore comply with Government Code sections 20636 and 7522.34 and CCR sections 570.5 and 571.1.

**FOR THE CITY OF EL CAJON:**



Graham Mitchell, City Manager

10-20-2020

Date

**FOR THE EL CAJON POLICE OFFICERS' ASSOCIATION MANAGEMENT GROUP**



Jeremiah Larson, President

10-21-2020

Date



**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**CITY OF EL CAJON**  
**AND**  
**EL CAJON POLICE OFFICERS' ASSOCIATION**  
**MANAGEMENT GROUP**

**July 1, 2017 – June 30, 2019**

**MEMORANDUM OF UNDERSTANDING  
 BETWEEN  
 CITY OF EL CAJON  
 AND  
 EL CAJON POLICE OFFICERS' ASSOCIATION MANAGEMENT GROUP  
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## ARTICLE 1 - INTENT

Pursuant to the provisions of the Meyers-Milias-Brown Act and the Employer-Employee Relations Procedure of the City of El Cajon, this Memorandum of Understanding, hereinafter referred to as an "MOU", is entered into by the staff of the City of El Cajon, hereinafter referred to as the "CITY", and the El Cajon Police Officers' Association Management Group, hereinafter referred to as the "ECPOAMG", which is to be in effect from July 1, 2017 through June 30, 2019.

The purpose of this MOU is to provide orderly procedures for the administration of employer-employee relations between the City and the ECPOAMG, for the establishment of fair and reasonable wages, hours and other conditions of employment for employees in the classifications of Lieutenant and Captain, hereinafter referred to as the "MANAGEMENT EMPLOYEE(S)", and for the peaceful and equitable resolution of disputes arising thereof.

This MOU has been reached through the process of "Meet and Confer" with the objective of fostering effective cooperation between the CITY and its EMPLOYEES.

## ARTICLE 2 - RECOGNITION

The ECPOAMG is recognized as the majority representative for MANAGEMENT EMPLOYEES in the classifications of Police Lieutenant and Police Captain.

## ARTICLE 3 - COMPENSATION

### SECTION A. Salary Steps

During the term of this MOU, ECPOAMG members shall receive the following salary increases:

1. 0.50% general increase to all represented classifications effective the first full pay period that begins on or after July 1, 2017.
2. 0.50% general increase to all represented classifications effective the first full pay period that begins on or after July 1, 2018.
3. Addition of pay step E<sup>1</sup> (+2.25% above E step) for all represented classifications effective the first full pay period that begins on or after July 1, 2017. Step is available to employee(s) in these classifications beginning in the fiscal year 2017-2018 who have completed at least six (6) years of service with the City, have completed at least one year at Step E, and meet all other step advancement conditions as specified in this MOU.
4. Addition of pay step F (+2.50% above E<sup>1</sup> step) for all represented classifications effective the first full pay period that begins on or after July 1, 2018. Step is available to employee(s) in these classifications beginning in the fiscal year 2018-2019 who have completed at least eight (8) years of service with the City, have completed at least one year at Step E<sup>1</sup>, and meet all other step advancement conditions as specified in this MOU.

## POLICE LIEUTENANT

HOURLY	A	A <sup>1</sup>	B	B <sup>1</sup>	C	C <sup>1</sup>	D	D <sup>1</sup>	E	E <sup>1</sup>	F
2017-2018	\$51.44	\$52.72	\$54.03	\$55.39	\$56.77	\$58.19	\$59.64	\$61.14	\$62.66	\$64.07	N/A
2018-2019	\$51.70	\$52.99	\$54.31	\$55.66	\$57.05	\$58.48	\$59.94	\$61.44	\$62.98	\$64.39	\$66.00

## POLICE CAPTAIN

HOURLY	A	A <sup>1</sup>	B	B <sup>1</sup>	C	C <sup>1</sup>	D	D <sup>1</sup>	E	E <sup>1</sup>	F
2017-2018	\$59.07	\$60.54	\$62.06	\$63.61	\$65.20	\$66.83	\$68.50	\$70.21	\$71.97	\$73.58	N/A
2018-2019	\$59.36	\$60.85	\$62.37	\$63.93	\$65.53	\$67.16	\$68.84	\$70.56	\$72.33	\$73.95	\$75.80

### SECTION B. Normal Advancements

Advancement to Step B is an incentive adjustment to encourage EMPLOYEES to improve their work. EMPLOYEES shall be made eligible for this adjustment if they were appointed to Step A and if they have completed six months service in Step A. Steps C, D, E, E<sup>1</sup> and F are provided for employees who are fully qualified, experienced and ordinarily conscientious in their work and therefore, upon completion of at least one year of service in Step B, C, D, E or E<sup>1</sup> an employee may be advanced to the next highest step. Additionally, advancement to Step E<sup>1</sup> requires at least six (6) years of service with the City and advancement to Step F requires at least eight (8) years of service with the City.

### SECTION C. Application of the Compensation Schedule

The salary range as set forth for each classification shall be applied in accordance with the following:

#### 1. New Appointments

The minimum step for the class shall generally apply to EMPLOYEES upon original appointment. When circumstances warrant it, however, an original appointment or reinstatement may be made at a rate other than the minimum. The City Manager shall decide each case based in part on the experience and training of each employee involved and according to the needs of the CITY.

#### 2. Advancement Provisions

No salary advancement shall be made so as to exceed any maximum rate established in the compensation schedule for the class to which the advanced EMPLOYEE'S position is allocated. Advancement shall depend upon increased service value of an EMPLOYEE to the City as exemplified by the recommendations of their department head, length of service, performance record, special training undertaken, or other pertinent evidence, within the advancement policy established by the compensation schedule. The advancement of an employee, therefore, is one in which actual merit and not time alone governs. EMPLOYEES shall be recommended for pay increases



then, only when they clearly deserve advancement as indicated by at least a competent rating on their last performance evaluation, and not simply according to the elapse of a time period.

#### SECTION D. Promotion to Another Class

Upon promotion, EMPLOYEES shall receive at least a five percent increase in pay, subject to the following conditions:

The position held by the EMPLOYEE immediately prior to the promotion must have been held under a regular or probationary appointment. The 5% increase shall be paid notwithstanding any incentives paid at lower classifications.

#### SECTION E. Pay Increases Other Than Advancement and Promotion

The provision governing the granting of pay increases specified in Section D.2 shall apply to all pay increases as well as advancements.

#### SECTION F. Transfer to Assignment Within the Classification

1. When a transfer of assignment is made within a given classification, there shall be no salary increase or decrease because of such transfer.
2. Voluntary Demotion

An EMPLOYEE may request a voluntary demotion for any reason. Voluntary demotions may cross bargaining groups and shall require the recommendation of the EMPLOYEE's Department Head and the approval of the City Manager. Voluntary demotions shall not result in salary increases.

An EMPLOYEE taking such a voluntary demotion shall be placed in the appropriate salary range of the classification to which the EMPLOYEE is taking the voluntary demotion, that would be commensurate with the salary said EMPLOYEE would have been receiving had said EMPLOYEE remained in his/her old job classification.

Voluntary demotion as a result of an impending layoff shall be in accordance with the provisions of the applicable section of Article 8.

#### SECTION G. Inequitable Compensation

If, in the opinion of the City Manager, the application of the provisions of this Article results in compensating EMPLOYEES at an inequitably low rate compared to other EMPLOYEES in the same class, the City Manager may raise such salary to the step deemed most equitable. Such action shall not be contrary to the general intent and spirit of this Article. If a disagreement arises between a petitioning party and the City Manager as to whether an inequity exists or not, the petitioning party may use the normal appeal and/or grievance procedure as set out in this MOU.

## SECTION H. Early Paychecks

### 1. Payday

The City's regular payday shall be every other Friday. Every effort will be made to distribute paychecks at this time. In the event of unforeseeable delays, delivery of paychecks will be made as expeditiously as possible.

### 2. Early Paychecks

The City will attempt to deliver the bi-weekly paychecks to EMPLOYEES prior to 11:00 p.m. on the Thursday preceding the normal Friday payday. It would be mutually understood, however, that the normal payday will remain as Friday and the City would be under no contractual liability to assure delivery on any day other than a normal payday.

## SECTION I. Workday/Workweek

Management EMPLOYEES shall be considered to work an "indefinite" workweek and not be entitled to overtime compensation unless otherwise provided herein.

Indefinite workweek is meant to imply some flexibility in the schedule so long as all responsibilities and obligations are covered. Generally, the employee will work 80 hours bi-weekly.

Management EMPLOYEES who elect to leave a shift early or leave the worksite to conduct personal business shall, when practicable, inform the immediate supervisor or log in the time of departure and how the EMPLOYEE may be contacted in case of emergency. It shall also be the management EMPLOYEE's responsibility to provide the oncoming supervisor with sufficient information to insure safe and efficient continuity of operations.

## SECTION J. Watch Commander Exchange

EMPLOYEES shall be allowed to exchange days off and/or shifts with other EMPLOYEES under the following conditions:

1. Requests for exchange of shifts between regular EMPLOYEES shall be submitted in writing, signed by both parties. Requests for exchange of shifts shall be submitted to the Chief of Police or designee. In cases of verifiable need, an EMPLOYEE may be authorized to exchange shifts after the shift schedule has been finalized. The Department shall not unreasonably deny this request.
2. Exchange of days off or exchange of shifts shall be between generally comparable EMPLOYEES.
3. No patrol personnel shall be authorized to remain on the same shift for a period exceeding one (1) year, without the approval of the Chief of Police.

SECTION K. Non-PERSable Stipend

1. One-time non-PERSable stipend of \$2,400 (Captains) or \$2,100 (Lieutenants) for all POAMG members employed in the applicable rank at the time of payment; payment to be made as follows: one-half during the first full pay period that begins on or after July 1, 2017 and one-half during the first full pay period after December 1, 2017.
2. Annual Non-PERSable Stipend of \$4,800 (Captains) or \$4,200 (Lieutenants) for all POAMG members employed in the applicable rank at the time of payment; payment to be made as follows: one half during the first full pay period that begins on or after July 1, 2018 and one-half during the first full pay period after December 1, 2018.
3. It is the intent of the parties that the stipends described in subsection (b) continue in the same pay periods and under the same conditions in years beyond 2018-2019 until and unless the parties agree to alter or eliminate them, or the City imposes a modification or elimination of the stipends after meeting and conferring with the POA-MG over such modifications or termination, and exhausting applicable impasse procedures.

ARTICLE 4 - PREMIUM PAY

SECTION A. Unusual Work Schedule

The City agrees to compensate employees an amount of pay or paid vacation time at the straight time rate when an inordinate amount of time is worked by a management employee due to operational commitments. This section shall apply to full shifts of extra duty; however, other partial shift situations may qualify with approval from the Chief of Police.

SECTION B. Temporary Upgrade

If an EMPLOYEE is temporarily assigned to a higher position by his/her supervisor and said assignment is approved by the City Manager, then the EMPLOYEE shall be granted a temporary advancement of not more than four standard salary ranges for the period of time in excess of eighty (80) hours the EMPLOYEE is required to perform such duties. At the conclusion of such assignment, the EMPLOYEE'S salary shall be reduced to the normal rate prescribed for their classification, had they remained in that classification.

ARTICLE 5 - PERQUISITES

SECTION A. Uniform and Equipment Allowance

The annual uniform and equipment allowance shall be \$825 effective July 2011. The uniform allowance for newly hired EMPLOYEES shall be prorated over the twelve-month period, from the actual hire date to the following July 1st. Yearly distribution will be made during the month of July.

EMPLOYEES assigned to the S.W.A.T. Team shall receive an additional \$75 uniform and equipment allowance during the month of July.

Supervisors shall ensure professional appearance of police personnel.

The CITY agrees to supply protective vests in accordance with Police Department General Order # 7.6.2.

#### SECTION B. Educational Incentive Program

The Educational Incentive Program is adopted for the benefit of the EMPLOYEES in recognition of certain specified educational and/or professional achievements.

The EMPLOYEES may receive no more than 7% additional compensation under the formulas listed below. In addition to the requirements below, to be eligible for the additional compensation, each EMPLOYEE must be a regular EMPLOYEE of the CITY with at least twenty-four (24) months of sworn law enforcement experience with the CITY. Once this salary increase is awarded, it shall continue regardless of future promotions to higher positions.

- a. A 2.5% salary increase for employees who possess a POST Management Certificate.
- b. An additional 2.5% salary increase for employees who possess a Bachelor's Degree.
- c. An additional 3% salary increase for employees who possess a Master's degree or other advanced degrees related to the job.

Effective with the first full pay period after July 1, 2015, the 6% incentive for the Advanced POST Certificate will be included in the base salary range of all ECPOAMG classifications (Article 3 (A)).

It is the personal responsibility of each EMPLOYEE to forward to the Director of Human Resources documents which certify his/her eligibility. Additional compensation will not commence until these documents have been received by the Director of Human Resources. For purposes of this section, Bachelor's, Master's, and other advanced degrees must be from an accredited educational institution.

#### SECTION C. Travel Reimbursement

The travel reimbursement allowance will be the current IRS rate per mile for those EMPLOYEES required to use their personal vehicles in the conduct of CITY business. Reimbursement shall be in accordance with current CITY travel allowance policy.

No separate meal allowance or reimbursement shall be provided when the event attended provides a meal in the admission price.

Employees acknowledge changes to the City's Travel Policy, Policy # E-4, as revised in June 2011 and that revised policy is in full effect.

## SECTION D. Tuition and Book Reimbursement

### 1. Qualifications

Tuition and the cost of books actually paid will be refunded to all regular EMPLOYEES for professional, technical courses, POST approved schools or work related seminars providing:

- a. The EMPLOYEE has at least a satisfactory proficiency rating on his/her most recent performance report.
- b. The subject matter of the course relates directly to and contributes toward the performance of the EMPLOYEE'S position duties with the CITY.
- c. Before receiving reimbursement, the EMPLOYEE shall furnish evidence that he/she has completed the course with a grade of "C" or better in undergraduate work, and a grade of "B" or better in graduate work, except where an average grade of "C" is acceptable for graduation by the educational institution.
- d. To encourage continuous education and supervisory/management training the City will include, within the Tuition Reimbursement Policy, the opportunity for Management EMPLOYEES to use the allowance to help defer costs of attending relevant seminars, workshops, conferences and classes (not necessarily requiring a grade) which promote professional growth. Police management personnel may also use the tuition allowance for POST approved schools. (Administrative Policy E-5) Additionally, all management EMPLOYEES may now apply this allowance toward related lodging, meals, and other travel costs in compliance with the procedure for Travel and Meetings as established in Administrative Policy E-4.

### 2. Maximum Reimbursement

The maximum reimbursement for any course or courses shall be \$750 per individual per fiscal year. When the cost of a particular seminar, workshop, conference, or class exceeds the \$750 maximum, the cost may be applied to two (2) fiscal years, provided the total cost does not exceed \$1,500.

### 3. Administration

The responsibility for administering this plan is placed with the City Manager.

## SECTION E. Deferred Compensation

1. The CITY agrees to continue to provide an Internal Revenue Code Section 457 Deferred Compensation Plan.
2. The City Manager is designated as the Plan Administrator. He/she may appoint a Deputy Plan Administrator.

3. The CITY shall monitor, administer and account for all funds distributed as deferred compensation, and shall charge no fees of any kind to the EMPLOYEES or against funds deposited on behalf of the EMPLOYEES.
4. When a participant in the Plan becomes eligible to collect all accumulated funds deferred on his/her behalf, the CITY shall disburse funds according to the EMPLOYEE'S participation agreement.

## ARTICLE 6 - HEALTH AND WELFARE

### SECTION A. Medical Insurance

The CITY agrees to continue the CalPERS Health Benefits Program that was adopted January 1, 1986. From the total allotted under the cafeteria benefit, the CITY agrees to pay to CalPERS the Public Employees' Medical and Hospital Care Act (PEMHCA) statutory minimum toward the cost of any CalPERS health plan which the EMPLOYEE chooses, if any. This shall be the amount contributed by the City on behalf of retirees as well. The EMPLOYEE agrees to be liable for the difference between the total cost of the health plan chosen and the CITY'S contribution of the PEMHCA statutory minimum. This benefit shall be part of the Section 125 cafeteria plan.

### SECTION B. Dental Insurance

The CITY agrees to offer the EMPLOYEES a choice of two (2) dental insurance options. Management EMPLOYEES may participate in the plan if they choose. This benefit shall be part of the Section 125 cafeteria plan.

### SECTION C. Life Insurance

The CITY agrees to continue to provide term life insurance in the amount of one and one-half times the EMPLOYEE'S annual salary plus \$25,000 per EMPLOYEE, for which the CITY agrees to pay the cost.

### SECTION D. Cafeteria Benefit Plan

The CITY implemented an Internal Revenue Code Section 125 cafeteria plan ("PLAN") on or about August 1, 1989. The PLAN contains provision for employer contribution and employee flexible spending accounts. The PLAN, if practical, shall be written to provide for all allowable benefits. This MOU shall control which of those benefits are utilized and the dollar amount of any employer contribution.

Whereas the CITY will continue to make available individual term life insurance, such insurance will not be part of the PLAN and must be paid by the EMPLOYEE as a normal payroll after-tax deduction.

Through December 31, 2017, the cafeteria benefit allowance will be \$1,050 per month. Effective January 1, 2018, the cafeteria benefit allowance will be \$1,100 per month. Effective January 1, 2019, the cafeteria benefit allowance will be \$1,150 per month.

Each EMPLOYEE who elects coverage from a CalPERS health plan shall have the PEMHCA statutory minimum paid by the City to CalPERS (See Section A of this Article) for that benefit, with the remainder of the cafeteria benefit allowance available for other cafeteria selections or taxable cash. An EMPLOYEE who elects not to be covered under a CalPERS health insurance plan may use the total cafeteria benefit allowance for other eligible benefits.

In the event that the total cost of benefits selected exceeds the allowance, the difference shall be deducted from the EMPLOYEE's salary as a "salary reduction" item; i.e., paid with before-tax dollars. If the allowance exceeds the total cost of benefits selected, the difference shall go to the EMPLOYEE as cash.

All employees must enroll in an available City health program unless they opt out. An employee may receive cash in lieu for opting out of the City's health program if he/she:

1. provides proof that the employee and all individuals for whom the employee intends to claim a personal exemption deduction for the taxable year or years that begin or end in or with the City's plan year to which the opt out applies ("tax family"), have or will have minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California) for the plan year to which the opt out arrangement applies ("opt out period"); *and*
2. signs an attestation that the employee and his/her tax family have or will have such minimum essential coverage for the opt out period. An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year. The opt-out payment cannot be made and the City will not in fact make payment if the employer knows or has reason to know that the employee or tax family member doesn't have such alternative coverage, or if the conditions in this paragraph are not otherwise satisfied.

The City may reopen negotiations on the issue of health insurance benefits or cafeteria plan (including, as to both, but not limited to, plan benefits or structure, City or employee contributions and/or opt out amount or requirements) in order to avoid penalties or taxes under the ACA or other statutory scheme that may result from an interpretation of the ACA or other statutory scheme by the Internal Revenue Service or other federal agency (including, but not limited to, a revenue ruling, regulation or other guidance) or state agency, or a ruling by a court of competent jurisdiction.

#### SECTION E. Retirement System (PERS)

1. The CITY entered into a contract with the Public Employees' Retirement System, hereinafter referred to as PERS, effective January 1, 1959.

The following benefits were put into effect for ECPOAMG members effective June 11, 1988:

- a. One-year Highest Compensation (Government Code Section 20042) [unless subject to section (7) below]
- b. Post Retirement Survivor Allowance (Government Code Sections 21624, 21626 and 21628)

2. Retirement Formula 1959 Survivor Benefit

- a. The CITY has provided the 2% at age 50 PERS retirement plan with the 1959 Survivor Benefit effective October 5, 1974. In exchange for this benefit, the ECPOAMG agreed to relinquish all present and/or future rights they may have against the contributions in their behalf for coverage under the Social Security Act.
- b. The CITY withdrew from Social Security membership and adopted the Safety 2% at age 50 benefit through PERS in 1974. As agreed, the CITY contributes an amount not to exceed 2.5% of the first \$13,200 annual earnings or \$330 per year to the CITY'S deferred compensation plan for ECPOAMG represented individuals on the payroll October 1, 1974. Individuals who separated from CITY employment after October 1, 1974 and have been or will be rehired will not be eligible for this benefit.
- c. The CITY agrees to contract with PERS to provide the 3% at age 50 enhanced retirement benefit pursuant to Section 21362.2 of the Government Code. Said benefit shall be effective June 30, 2002 unless Sections (E)(2)(d) or (E)(7) of this Article apply.
- d. The parties acknowledge that the City has amended its contract with PERS to provide for a 3% at 55 retirement formula with "Final Compensation" – Three Years – State or Local member" (Section 20037) for unit members hired after March 11, 2011, who are not subject to Section (E)(7) of this Article.

3. Military Service Credit

- a. The contract with the PERS has been amended to allow eligible employees to receive military service credit as outlined in Section 21024 of the Government Code.
- b. The contract with the PERS had been amended to provide that after October 1, 1977, any EMPLOYEE electing to receive military credit toward retirement shall pay the cost of the time credited.

4. Sick Leave Credit

The contract with PERS was amended to include unused sick leave at retirement for credit as outlined in Section 20965 of the Government Code. At retirement, EMPLOYEES will be allowed to select the unused sick leave retirement credit benefits and/or the unused sick leave reimbursement program. This will have no effect on the annual unused sick leave conversion program.

5. No CITY Paid Employee Contribution

- a. Currently, the EMPLOYEE pays the 9% EMPLOYEE'S share of the retirement cost.



Any State mandated or other increases in the cost of the retirement system resulting from increases in the benefit level of the current plan are subject to future negotiations between the CITY and the ECPOAMG. Any such cost increases will not automatically be absorbed by the CITY.

- b. Effective July 1999, the City implemented CalPERS section 20636(c)(4) whereby the City will include the EMPLOYEE's contribution as additional compensation for purposes of reporting to CalPERS, which is 0% during the term of this MOU.
6. The CITY agreed to contract with PERS to implement the Third Level of the 1959 Survivor's Benefit effective August 13, 1995.
7. New Members

Employees who qualify as "New Members" as that term is defined by the California Public Employees' Pension Reform Act of 2013 ("PEPRA") shall have the benefits that are required by PEPRA, which include, but are not limited to:

- a. 2.7% @ 57 retirement formula;
- b. 3 year final compensation;
- c. Pay employee contribution equal to 50% of normal cost and no Employer Paid Member Contributions; and
- d. Stricter limits on reportable compensation (referred to as "pensionable compensation" under PEPRA).

SECTION F. Long-Term Disability

The CITY shall provide ECPOAMG employees a fully paid long-term disability plan.

ARTICLE 7 - LEAVES - TIME OFF

SECTION A. Vacation

1. Earned Vacation - Full Time

Each EMPLOYEE shall be credited with annual vacation with pay according to their number of months of continuous, uninterrupted, full-time service as follows:

2. Vacation Accrual Rate

EMPLOYEEES shall receive vacation and vacation in lieu of the current fourteen (14) holidays (New Year's Day, Martin Luther King, Jr. Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Admissions Day, Columbus Day, Veterans Day, Thanksgiving Day, Friday following Thanksgiving Day, Christmas Eve, Christmas Day, and New Year's Eve) in accordance with the following schedule:

- a. 7.36 working hours of vacation and vacation in lieu accrued and credited bi-weekly from the date of hire until completion of the 60th month;
- b. 8.89 working hours of vacation and vacation in lieu accrued and credited bi-weekly following completion of the 60th month through the 180th month;
- c. 10.46 working hours of vacation and vacation in lieu accrued and credited bi-weekly following completion of the 180th month.

3. Vacation Credit Accumulation

a. Policy

(i) Effective last full pay period ending in July 17, 2015, no employee shall accrue vacation unless his/her balance is below 540 hours.

(ii)

Employees can only exceed cap if there is a documented denial of use within preceding 12 months. The cap will then be extended by the amount denied for one year from date of denial.

b. Unused Vacation at Separation

Regular EMPLOYEES who separate from the CITY shall be paid for all unused vacation time.

4. Vacation Schedule

The EMPLOYEE shall select his/her vacation based on seniority and the Department Head shall approve or deny said request based on the needs of the Department.

5. Administrative Leave

EMPLOYEES are granted an additional 60 hours of administrative leave per year to be accrued as paid vacation.

6. Vacation Cash Conversion

Any EMPLOYEE who has used a minimum of 80 hours vacation during the preceding calendar year (ex. February 1 through January 31) may cash out accrued unused vacation days during the following month, with no cap.

If an eligible EMPLOYEE attaches proof that 80 hours of vacation has been taken within the prescribed period, payment will be made within 10 City Hall working days following receipt by the Human Resources Department. If the form is submitted without proof, the request will be processed as soon as reasonably possible thereafter.

SECTION B. Holidays

In the event that the City Council grants a one-time additional holiday(s) to personnel not covered by this MOU, then the EMPLOYEES covered by this MOU shall be credited

immediately with eight (8) hours of vacation for each holiday. The regular holidays are listed in Section A (2) above.

SECTION C. Sick Leave

1. Sick Leave Application

Sick leave with pay shall be granted to all EMPLOYEES covered by this MOU in accordance with this section. Sick leave shall not be considered as a right which an EMPLOYEE may use at his/her discretion, but shall be allowed only in case of: (1) necessity and actual personal sickness or disability; or (2) to attend to an illness or injury, including time for scheduled doctor or dentist appointment, of a person who is in the relationships to the employee as described in the California Labor Code §233, which currently includes:

Child	Parent	Spouse
Grand Child	Foster Child	Adopted Child
Step Child	Legal Ward	Child of Domestic Partner
Step Parent	Legal Guardian	Adoptive Parent
Foster Parent	Sibling	Parent-in-Law
Grand Parent	Registered Domestic Partner	Child of Person Standing in Loco Parentis

Abuse of sick leave privileges, as with all Rules, may be grounds for disciplinary action.

a. Compensation Procedure

In order to receive compensation while absent on sick leave, the EMPLOYEE shall notify the immediate supervisor or the Department Head prior to or within one half hour after the time set for beginning daily duties.

b. Certificate of Absences

In cases of suspected abuse, chronic sick leave use, instances requiring modified duty work assignments, or at the discretion of the City Manager, a physician's certificate may be required regardless of the length of absence.

c. Sick Leave Earning Rate

All EMPLOYEES shall accrue sick leave at the rate of 3.68 hours per bi weekly pay period. All such sick leave which is unused may be accumulated.

d. Sick Leave Conversion Privileges

Any EMPLOYEE who has taken 40 hours sick leave or less during the calendar year ending December 30 of each year shall be entitled to either convert up to

40 hours of unused sick leave to vacation leave or receive a cash payment for up to 24 hours, based upon his/her current compensation rate on an hour-for-hour basis.

In no event may an EMPLOYEE select a combination of two options or reduce the accumulated sick leave balance below 192 hours. No prorations shall be made for EMPLOYEES terminating on or before December 30 of the calendar year.

e. Reimbursement of Unused or Unconverted Sick Leave Upon Separation

After 10 years of continuous (uninterrupted) City service and upon voluntary separation under satisfactory conditions (as determined by the City Manager), an EMPLOYEE shall be eligible to receive a cash payment equivalent to 25% of all unused sick leave, less the total number of hours converted to either cash, vacation, or a combination thereof as set forth in Article 7, Section (1) (e). Such reimbursement is to be computed upon the EMPLOYEE'S final compensation rate.

(e.g. 600 (balance of sick leave on the books after conversion and use) x .25=150. 150 - 400 [hours converted previously] = Ø)

f. Unused Sick Leave at Retirement for Health Insurance Premiums

**FOR EMPLOYEES HIRED BY THE CITY PRIOR TO JULY 1, 2013 ONLY:**

Upon retirement from City employment for any reason, an employee may elect to use unused sick leave at its dollar value at retirement (hourly base rate plus any regularly recurring biweekly premium pay, i.e., educational incentives, management incentives) to pay health insurance premiums in retirement according to the following schedule:

10 through 14 years of service: 25% of the sick leave balance at retirement;

15 through 19 years of service: 50% of the sick leave balance at retirement;

20 + years of service: 75% of the sick leave balance at retirement.

This benefit will be in addition to the PEMHCA statutory amount the City currently contributes to the Public Employees' Retirement System for retiree health insurance benefits. The supplemental benefits described above shall be used to pay health insurance premiums for the retiree and dependents, if applicable. However, if the employee is deceased before the funds are exhausted, the supplemental benefits shall cease and the remaining funds shall be the City's property.

The City elects to self-administer this plan at this time. The City will pay the annualized dollar equivalent of the Kaiser two-party health insurance premium once per year in January of each year.

In order to be eligible for this benefit, the employee must be retired with CalPERS no more than 120 days from his/her separation date from the City.

This benefit may be used in combination with service credit for unused sick leave as described in Article 6 – HEALTH AND WELFARE, SECTION E. Retirement Systems (PERS) (4) Sick Leave Credit. Only sick leave not used under this section may be applied to PERS service credit.

2. Bereavement Leave

Up to twenty-four hours special leave with pay may be granted in any twelve month period to a regular/probationary EMPLOYEE in order to discharge the customary obligations arising from the death of a relative who is a member of EMPLOYEE'S household or a parent, step-parent, grandparent, sibling, or child of employee or employee's spouse/domestic partner (not required to be a member of the household).

Requests for such leave must be approved by the City Manager or designee supported by such facts as may be required.

3. Compulsory Sick Leave

a. If, in the opinion of the City Manager, an EMPLOYEE is incapacitated for work due to illness or disability, such EMPLOYEE may be required to submit to examination by a CITY designated physician, the costs to be borne by the CITY. The EMPLOYEE may request one change of physician. If the report of the physician shows the EMPLOYEE to be in an unfit condition to perform job duties, the City Manager shall have the right to compel the EMPLOYEE to take a leave of absence. Verification of fitness for duty shall be made by a physician designated by the CITY, with the same EMPLOYEE right to request a change as set out above, and expenses incurred in securing such verification shall be borne by the CITY. Accrued sick leave and then vacation may be used for this absence. If balances are exhausted, the City Manager may approve leave without pay for up to one year. The object of this rule is to protect the CITY's interest in having a safe and effective work force and in assisting employees in achieving a level of fitness to perform their duties.

b. Employees whose performance is adversely affected by the use of alcoholic beverages, chemical substances (illicit drugs) or prescribed or unprescribed medications, may be subject to the provisions above. EMPLOYEES whose medication may alter their behavior so as to cause a potential safety problem (e.g. related to operating equipment or restrictions on being on ladders, at heights or in confined areas) must report the use of medication to their supervisor for modifying their work assignment temporarily. Abuse or failure to report could lead to discipline.

c. Any application of this section which results in action by the CITY adverse to an EMPLOYEE or his/her continued employment may be appealed to the Personnel Commission.

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#### 4. Family Care and/or Medical Leave

EMPLOYEES shall be granted family care leave or medical leave in accordance with Administrative Policy D – 4 for any of the following reasons:

1. To care for a newborn child of the EMPLOYEE within 12 months of the birth; or
2. To care for a newly adopted child or a child placed in foster care with the employee within 12 months of the placement; or
3. To care for a spouse, child or parent of the employee with a serious health condition; or
4. Because of a serious health condition which causes the employee to be unable to perform his/her duties.

All employees are required to report to Human Resources that (1) he/she has a reasonable belief that he/she has a serious medical condition, but shall not provide further details; (2) the expected commencement and duration of leave for the serious medical condition; and (3) documentation by a medical provider of the employee's work restrictions upon return to work. The reporting requirement applies regardless of the type of leave taken.

#### SECTION D. Military Leave

Any employee who is or becomes a member of the Armed Services, Militia or Organized Reserves of California or the United States shall be entitled to the leaves of absence and employment rights and privileges provided by USERRA and the Military and Veterans Code of the State of California.

#### SECTION E. Jury and Witness Leave

Every EMPLOYEE shall be entitled to be absent from duty with the CITY when called to serve as a trial juror or as a witness called by a subpoena before a court of law. Under such circumstances, the EMPLOYEE shall be paid the difference between their full salary and any payment received by them, except travel pay, for such duty. If jury service or witness time is less than a full work day, the EMPLOYEE is expected to return to work, unless a justification is provided.

#### SECTION F. Leave of Absence Without Pay

The City Manager may grant a regular or probationary EMPLOYEE leave of absence without pay or accrual of seniority or benefits, for a period not to exceed one year. No such leave shall be granted except upon written request of the EMPLOYEE, setting forth the reason for the request, and approval shall be in writing. Upon expiration of approved leave or within a reasonable period of time after notice to return to duty, the EMPLOYEE shall be reinstated in the position held at the time leave was granted. Failure on the part of an EMPLOYEE on leave to report promptly at its expiration, or within a reasonable time after notice to return to duty, shall be cause for discharge.

EMPLOYEES making use of this provision who return to duty shall return with the seniority status for benefits and working conditions which he/she held prior to the leave. An EMPLOYEE may choose to remain in any group insurance plans by agreeing to pay the full cost, while on a leave of absence.

#### SECTION G. Workers' Compensation Leave

All compensation received in accordance with the provisions of the Labor Code and Workers' Compensation Laws of the State of California shall be deemed to be included in any compensation due from the CITY by virtue of any grant for sick leave with pay.

#### SECTION H. Catastrophic Leave

1. This program allows one or more EMPLOYEES to donate vacation for use by another who, due to extensive or catastrophic illness or injury, has exhausted paid leave and is subsequently facing financial hardship. Each request will be considered on a case-by-case basis.
2. Requests by an EMPLOYEE(S) to donate vacation and/or compensatory time are submitted for approval to the Director of Human Resources. After considering all issues and consultation with concerned parties, the Director of Human Resources will make a determination. Any request denied by the Director of Human Resources may be appealed to the City Manager.

Once approved, vacation credits may be transferred from the donor EMPLOYEE(S) to a "fund" established for recipient EMPLOYEE to be used on an hour-for-hour basis, in accordance with the following conditions:

- a. Program is administered Citywide allowing hours to cross departments and EMPLOYEE bargaining groups.
- b. Receiving EMPLOYEE must have exhausted all earned leave (sick leave, compensatory time and vacation/ vacation in lieu) and will/has entered leave without pay status.
- c. EMPLOYEE(S) donating time must transfer a minimum of eight hours and in whole hour increments thereafter.
- d. Donated hours are considered a gift to the recipient and irrevocable. Therefore, recipient is not required to "pay back" any hours received.
- e. Hours transferred will have an hour-for-hour value with no regard to dollar value of donor v. recipient.
- f. Unused hours will remain in the "fund" for future use to be determined by the Director of Human Resources.
- g. Once donated leave benefits become payable, temporary recovery may occur resulting in a future period(s) of disability. Approval procedures should not be necessary if periods of disability are separated by temporary recovery of 90 days or less.
- h. EMPLOYEES wishing to donate vacation hours must maintain a minimum vacation balance of 80 hours (after donation).

Workers' Compensation: Donated hours can be utilized for the difference, but no more than recipient EMPLOYEE'S regular salary.

## ARTICLE 8 - LAYOFF

### SECTION A. Purpose

To provide a means by which EMPLOYEES are to be demoted or laid off when a reduction in force is necessitated by a lack of work, lack of funds or abolishment of a position.

Prior to a layoff due to a reduction in force necessitated by a financial emergency, the City Council may choose to adopt other alternatives, which are legally available to avoid layoffs. Prior to any action being taken, written notice shall be given to the ECPOAMG.

### SECTION B. Determination

1. The City Council shall determine, on the basis of the needs of the CITY, as recommended by the City Manager, which department and classifications shall be subject to layoff in the event a reduction in force is necessitated by lack of funds.
2. In the event a reduction in force is necessitated by a lack of work or the abolishment of positions, the City Manager shall determine which department or classifications shall be subject to layoff based upon the needs of the CITY.

### SECTION C. Reduction in Force - Demotion

Except as otherwise provided, whenever there is a reduction in work force, the City Manager shall first demote to a vacancy, if any, in a lower class to which the EMPLOYEE with the greatest length of seniority in the affected series shall be demoted first. Whenever two or more EMPLOYEES have identical seniority status, the EMPLOYEE with the lowest performance as determined by the City Manager shall be demoted first. All persons so demoted shall have their names placed on the classification reinstatement eligible list.

### SECTION D. Order of Reduction in Force

In a reduction in force situation, the following order of layoffs shall be followed: (a) Part-time and provisional EMPLOYEES in the affected classification series; (b) Limited term EMPLOYEES in reverse order of their classification seniority in the affected class series; (c) Probationary EMPLOYEES in reverse order of their classification seniority in the affected class series; (d) should there be a need for further reduction, regular EMPLOYEES in the affected classification series shall be involuntarily demoted in reverse order of their classification seniority; (e) should a reduction in force still be necessary, regular EMPLOYEES shall be laid off in reverse order of their seniority in the affected class series. Any EMPLOYEE so laid off will be given (10) working days' notice in writing from the City Manager.



SECTION E. Determining Order of Layoff and Demotion or Employees With Identical Seniority

Should two or more EMPLOYEES have identical classification seniority, the order of layoff and demotion will be determined by length of continuous service in the affected series. Whenever two or more EMPLOYEES have identical service in the affected series, the order of layoff and demotion shall be determined by the City Manager on the basis of performance.

SECTION F. Order and Method of Demotion Pursuant to a Reduction in Force - Bumping

When required, due to a reduction in force, EMPLOYEES shall be demoted in the following manner:

1. EMPLOYEES who are involuntarily demoted, who have held regular status in a lower classification shall have the right to bump EMPLOYEES in a lower classification with less classification seniority. For this purpose, classification seniority shall include the seniority the EMPLOYEE had in any higher classification in the affected classes as well as seniority the EMPLOYEE has in the lower classification that the EMPLOYEE is demoted to.
2. EMPLOYEES who have not actually held status in a lower classification shall be allowed to demote to a vacant position or to a position held by a probationary EMPLOYEE in such lower class. They will also be allowed to demote to a lower class if they meet or exceed the employment standards of the lower class and the skills, knowledge, abilities and typical tasks are similar to the class they are being demoted from. However, an EMPLOYEE may not bump to a lower classification they have not previously held where the knowledge, skills, abilities and typical tasks are not similar or related to the higher classification. Bumping to a lower classification in the class series will be allowed even though the EMPLOYEE had not previously held a position in the lower classification if the classification has been created or added to the class series following the EMPLOYEE'S promotion to a higher classification in the affected class series, or if a new entry level position was created following the EMPLOYEE'S date of hire. Bumping to a newly created classification will only be allowed if the City Manager has determined that the EMPLOYEE meets or exceeds the qualifications for that classification.

SECTION G. Reinstatement of Employees Demoted as a Result of a Reduction in Force

EMPLOYEES who are demoted as a result of a reduction in force shall have their names placed on a classification reinstatement list, in the order of their classification seniority. Vacant positions within a classification series shall first be offered to EMPLOYEES on this list.

SECTION H. Reemployment of Employees Laid Off as a Result of a Reduction in Force

EMPLOYEES who are laid off and who held regular CITY status at the time of lay off shall have their names placed on a reemployment list for classifications in which they previously held status and for classifications at the same or lower salary range for which they qualify in the order of their seniority in the affected class series. Vacant positions in such classifications

will be offered to eligibles on the Reemployment List who qualify for such vacancies prior to an open or promotional recruitment.

SECTION I. Duration of Reinstatement and Reemployment Following a Reduction in Force

The eligibility of individuals on the Reinstatement and Reemployment Lists shall extend for a period of one year from the date of demotion or lay off. Eligibles not responding to written notification of an opening within ten (10) working days shall have their names removed from either the Reemployment or Reinstatement List.

SECTION J. Restoration of Benefits Upon Reemployment Following a Reduction in Force

Upon reemployment following a reduction in force an EMPLOYEE will have the following benefits restored:

1. Prior sick leave balance unless the EMPLOYEE elected cash payment at the time of layoff; (refer to Article 7 (c)(1)(e))
2. Seniority at time of lay off for purposes of determining merit increases, vacation accrual rate and future reduction in force;
3. Upon reemployment, the EMPLOYEE shall be paid at the same step of the salary range currently in affect for the classification the EMPLOYEE held immediately prior to lay off. If the EMPLOYEE chooses to be reemployed in a classification which has a salary range lower than the classification from which the EMPLOYEE was laid off, then the salary placement will be made at a point either equivalent to the EMPLOYEE'S salary range and step immediately prior to lay off, or, if the maximum of the salary range of the position to which the EMPLOYEE is to be reemployed is less than the salary currently in effect for the classification, the EMPLOYEE will receive the maximum of the salary range for the classification in which the EMPLOYEE is reemployed.
4. All benefits EMPLOYEES are eligible to receive including the deferred compensation benefit if they were receiving it prior to layoff.

SECTION K. Quarterly Performance Reports

Quarterly performance reports will be required to be completed during the first year of reemployment on any EMPLOYEE appointed from a reemployment list or classification reinstatement list.

SECTION L. Payoff of Accruals Upon Layoff

Laid off EMPLOYEES are to be paid for all accrued holidays, vacation and non-exempt overtime when separated as a result of a lay off. The sick leave accruals of such EMPLOYEE will remain on the books and will be reinstated if they are reappointed unless the EMPLOYEE is eligible for, and elects to, participate in, the sick leave reimbursement program upon termination.

SECTION M. Retirement Contribution

Upon layoff, the EMPLOYEE may elect to either withdraw his/her retirement contribution or leave the money in the retirement system. Prior to reemployment, however, if the retirement funds have been withdrawn, they must be redeposited in accordance with arrangements satisfactory to the Public Employees' Retirement System.

SECTION N. Non-discrimination in Reduction in Force

Layoffs and demotions which result from a reduction in force shall be made without regard to an EMPLOYEE'S sex, race, color, ancestry, religious creed, national origin, disability (including AIDS and HIV), medical condition (Cancer), age (over 40), and marital status.

ARTICLE 9 - INDIVIDUAL PERSONNEL FILES

SECTION A. Traffic Accidents

The CITY and the ECPOAMG do hereby agree to purge an EMPLOYEE'S personnel record, upon written request to the City Manager, of all letters of reprimand relating to the EMPLOYEE'S traffic accidents. This will be approved only after a full year of accident-free driving has occurred.

SECTION B. Disciplinary Actions

Upon request of the EMPLOYEE to the City Manager, the CITY will purge disciplinary actions that do not relate to workers' compensation or unresolved liability claims and are more than three (3) years old, provided that no similar disciplinary actions have been imposed on said EMPLOYEE.

Unless required by law, EMPLOYEES subject to internal affairs investigations shall not be provided with any documents nor granted any right to discovery prior to their investigative interview.

ARTICLE 10 - GRIEVANCE PROCEDURE

SECTION A. Purpose

1. To promote improved employer-employee relations by establishing grievance procedures on matters for which appeal or hearing is not provided by other regulations.
2. To assure fair and equitable treatment of all EMPLOYEES and promote harmonious relations among EMPLOYEES, supervisors and management.
3. To encourage the settlement of disagreements informally at the employee-supervisor level and provide an orderly procedure to handle grievances throughout the several supervisory levels where necessary.
4. To provide that appeals shall be conducted as informally as possible the cause of grievance; thereby reducing the number of grievances and future similar complaints.

## SECTION B. Reviewable Grievances

To be reviewable under this procedure, a grievance must:

1. Concern matters or incidents that have occurred.
2. Result from an act or omission by management regarding working conditions or other aspects of employer–employee relations over which the head of the department or the CITY has control.
3. Arise out of a specific situation, act or acts complained of as being unfair which result in an inequity or damage to the EMPLOYEE.
4. Specify the relief sought, which relief must be within the power of the head of the department or the City Manager to grant in whole or in part.
5. Or be in violation of this MOU.

## SECTION C. Non-reviewable Grievances

A grievance is not reviewable under this procedure if it requires the modification of a policy established by law, or is a matter which is reviewable under some other administrative procedure and/or personnel rule such as:

1. Applications for changes in title, job classification or salary.
2. Appeals from formal disciplinary proceedings.
3. Appeals arising out of merit system examinations.
4. Appeals from work performance evaluations.

## SECTION D. Informal Grievance Procedure

An EMPLOYEE who has a problem or complaint should first try to get it settled through discussion with his/her immediate supervisor without undue delay. If, after this discussion, the EMPLOYEE does not believe the problem has been satisfactorily resolved, he/she shall have the right to discuss it with his/her supervisor's immediate supervisor, if any, in the administrative service. Every effort should be made to find an acceptable solution by informal means at the lowest possible level of supervision. If the EMPLOYEE is not in agreement with the decision reached by discussion, he/she shall have the right to file a formal grievance in writing within ten days after receiving the informal decision of the immediate superior. An informal grievance shall not be taken above the City Manager.

## SECTION E. Special Provisions of the Formal Grievance Procedure

### 1. Filing of Grievances

Grievances may be filed by an individual EMPLOYEE, a group of EMPLOYEES, or the ECPOAMG on behalf of one or more EMPLOYEES if said EMPLOYEE(S) so request.

### 2. Procedure for Presentation

In presenting a grievance, the EMPLOYEE shall follow the sequence and procedure outlined in this Article.

### 3. Prompt Presentation

The EMPLOYEE shall discuss the grievance with the immediate supervisor promptly after the act or omission of management causing the grievance.

### 4. Prescribed Form

The formal written grievance shall be submitted on a form prescribed by the City Manager for this purpose. Supervisors and the Human Resources Office shall maintain an adequate supply of such forms.

### 5. Statement of Grievance

The grievance shall contain a statement of:

- a. The specific situation, act or acts complained of as being unfair;
- b. The inequity or damage suffered by the EMPLOYEE; and
- c. The relief sought.

### 6. EMPLOYEE Representation

The EMPLOYEE may choose someone to represent him/her at any step after the first step of the procedure; i.e., at any step after formal discussion with his/her immediate supervisor. No person hearing a grievance need recognize more than one representative for any EMPLOYEE at any one time unless he/she so desires.

### 7. Handled During Working Hours

Whenever possible, grievances will be handled during the regularly scheduled working hours of the parties involved.

### 8. Extension of Time

The time limits within which action must be taken or a decision made as specified in this procedure may be extended by mutual written consent of the parties involved. A

statement of the duration of such extension of time must be signed by both parties involved at the step to be extended.

9. Consolidation of Grievances

If the grievance involves a group of EMPLOYEES or if a number of EMPLOYEES file separate grievances on the same matter, the grievances shall be handled as a single grievance.

10. Settlement

Any grievance shall be considered settled at the completion of any step if all parties are satisfied or if neither party presents the matter to a higher authority within the prescribed period of time.

11. Reprisal

The grievance procedure is intended to assure the right to present a grievance without fear of disciplinary action or reprisal from the supervisor, superior to department head, provided the provisions of this grievance procedure are observed.

SECTION F. Formal Grievance Procedure Steps

1. First Level of Review

The appeal shall be presented in writing to the EMPLOYEE'S immediate supervisor, who shall render a decision and comments in writing and return them to the EMPLOYEE within 15 calendar days after receiving the appeal. If the EMPLOYEE does not agree with the supervisor's decision, or if no answer has been received within 15 calendar days, the EMPLOYEE may present the appeal in writing to the supervisor's immediate superior. Failure of the EMPLOYEE to take further action within 10 calendar days after receipt of the written decision of the supervisor, or within a total of 25 calendar days if no decision is rendered, will constitute a dropping of the appeal.

2. Further Level or Levels of Review as Appropriate

The supervisor receiving the appeal shall review it, render the decision and comments in writing, and return them to the EMPLOYEE within 15 calendar days after receiving the appeal. If the EMPLOYEE does not agree with the decision, or if no answer has been received within 15 calendar days, the appeal may be presented in writing to the department head. Failure of the EMPLOYEE to take further action within 10 calendar days after receipt of the decision, or within a total of 25 calendar days, if no decision is rendered, will constitute a dropping of the appeal.

3. Department Review

The department head receiving the appeal or the designated representative, shall discuss the grievance with the employee, his/her representative, if any, and with other appropriate persons. The department head shall render a decision and comments in

writing and return them to the EMPLOYEE within 15 calendar days after receiving the appeal. If the EMPLOYEE does not agree with the decision reached, or if no answer has been received within 15 calendar days, the appeal may be presented in writing to the City Manager. Failure of the EMPLOYEE to take further action within 10 calendar days after receipt of the decision, or within a total of 25 calendar days, if no decision is rendered, will constitute a dropping of the appeal.

4. City Manager

The City Manager receiving the appeal or the designated representative should discuss the grievance with the EMPLOYEE, their representative, if any, and with other appropriate persons. The City Manager may designate a fact-finding committee, or officer not in the normal line of supervision, or Personnel Commission to advise concerning the appeal. The City Manager shall render a decision in writing to the EMPLOYEE within 20 calendar days after receiving the appeal.

ARTICLE 11 - SUGGESTION AWARD PROGRAM

SECTION A. Purpose

1. The purpose of a Suggestion Award Program is to develop increased efficiency of governmental operations in the CITY by providing recognition to EMPLOYEES for submission of original and constructive suggestions. Such a program stimulates imaginative and inventive thinking among EMPLOYEES which can eliminate duplication, waste or safety hazards, reduce costs or accidents, improve service, methods of equipment or save time, work, money, materials or space.

SECTION B. Suggestion Award Program

A copy of said program is available at CITY'S Human Resources Department.

ARTICLE 12 - OUTSIDE EMPLOYMENT

SECTION A. General Statement

When a person accepts employment with the CITY, it is understood that this employment is to be that person's primary vocational responsibility. Any other employment, regardless of form, where personal services are rendered or goods or property are sold for financial business gain, is considered outside employment and is subject to the provisions set forth in this section.

SECTION B. Application for Outside Employment

1. Outside Employment Statement

An EMPLOYEE who wishes to engage in outside employment must file an Outside Employment Statement with the City Manager. All Outside Employment Statements on file in the Human Resources Office will be annually reviewed by the City Manager in accordance with the guidelines in Section C.

2. Acceptable Statements

The Outside Employment Statement will be given to the City Manager who will make the determination concerning the acceptability of the request.

3. Failure to Submit Statement

If the CITY discovers that an EMPLOYEE is engaged in outside employment and has not submitted an Outside Employment Statement, the EMPLOYEE may be subject to disciplinary action including termination as determined by the City Manager.

SECTION C. Guidelines for Approving Outside Employment

Outside employment will be reviewed on the basis of its compatibility with the continued satisfactory performance of an EMPLOYEE'S official CITY duties. Review of Outside Employment Statements will be based on the following criteria:

1. Does the EMPLOYEE'S Outside Employment compromise the CITY so as to create conflict of interest?
2. Does the EMPLOYEE'S department control, inspect, review, audit or enforce the Outside Employment?
3. Does the Outside Employment involve the acceptance of money or other consideration from an agency or individual(s) for the performance of an act which the EMPLOYEE would be required to render while acting in an official capacity as an EMPLOYEE?
4. Is the EMPLOYEE utilizing CITY information not normally available to the public in the performance of outside employment?
5. Is the position inconsistent, incompatible or in conflict with assigned duties?
6. Does the Outside Employment unduly interfere with the scheduling of work hours and/or emergency call-out?
7. Would the Outside Employment aggravate any physical disability or infirmity of the EMPLOYEE (as indicated by sick leave record) and/or physical or mental stress of the outside work?
8. The EMPLOYEE will not be allowed, under any circumstance, to use his/her CITY title when engaged in Outside Employment.

SECTION D. Revocation

The CITY may revoke any prior approval of Outside Employment for any reason where any act or behavior of the EMPLOYEE during his/her performance of outside work detrimentally reflects upon a department or the CITY in general. Written notice stating the reason for revocation and the effective date shall be given to the EMPLOYEE. A copy of this notice will be placed in the EMPLOYEE'S personnel jacket.



SECTION E. Workers' Compensation

Workers' Compensation claims resulting from injuries or illnesses sustained during the course of Outside Employment shall be determined by State Law.

SECTION F. Unauthorized Outside Employment

Unauthorized outside employment may result in disciplinary action, up to and including dismissal.

ARTICLE 13 - EMPLOYEE RIGHTS

SECTION A. No Discrimination

EMPLOYEES shall have the right to form, join and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations including, but not limited to wages, hours, and other terms and conditions of employment. EMPLOYEES also shall have the right to refuse to join or participate in the activities of EMPLOYEE organizations and shall have the right to represent them-selves individually in their employment relations with the CITY. No EMPLOYEE shall be interfered with, intimidated, restrained, coerced or discriminated against by the CITY or by any EMPLOYEE organization because of his/her exercise of these rights.

SECTION B. Public Safety Officers Procedural Bill of Rights

The Public Safety Officers Procedural Bill of Rights (Government Code Section 3300 et seq) shall be applied equally to all EMPLOYEES and is incorporated by reference.

SECTION C. Discipline

The CITY may only discipline an EMPLOYEE for just cause. In the case of disciplinary action involving a reprimand, suspension, demotion, or discharge, the EMPLOYEE shall be given notice of the action to be taken, a copy of the evidence or materials upon which the action is to be based, and an opportunity to respond to the imposing authority either orally or in writing within seven (7) calendar days of the notice of the action. The above process will occur prior to the imposition of the discipline. In the event of extra ordinary circumstances, the CITY may suspend an EMPLOYEE without pay pending termination. In said event the EMPLOYEE shall still have a right to the above hearing.

ARTICLE 14 - CITY RIGHTS

The rights of the CITY include, but are not limited to, the exclusive right to determine the mission of its constituent departments, commissions and boards; set standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which government operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.

In exercising the above rights, the CITY shall comply with all applicable provision(s) of this MOU.

#### Drug-free Workplace Act of 1988

The ECPOAMG agrees to support a drug-free workplace as required by the Federal Regulations passed in 1988. For further details, refer to the appropriate City Council Resolution or contact the Human Resources Department.

#### ARTICLE 15 - FEDERAL - STATE LAWS

It is understood and agreed that this MOU is subject to all present and future applicable federal and state laws and regulations and the provisions hereof shall be effective and implemented not to conflict with such laws and regulations. If any part of this MOU is in conflict or inconsistent with such applicable provisions of federal or state laws or regulations, or otherwise held to be invalid or unenforceable by any tribunal of competent jurisdiction, such part or provisions shall be suspended and superseded by such applicable laws and regulations, and the remainder of this MOU shall not be affected thereby and shall remain in full force and effect. Modifications to such sections will be made within a reasonable period of time via the Meet and Confer process.

#### ARTICLE 16 - NON-DISCRIMINATION

The ECPOAMG accepts and supports the official CITY policy of Affirmative Action as outlined in City Council Policy A-17 providing equal employment opportunities on the basis of merit and avoiding discriminating practices against any EMPLOYEE because of sex, race, color, ancestry, religious creed, national origin, disability (including AIDS and HIV), medical condition (Cancer), age (over 40), and marital status.

#### ARTICLE 17 - AGENCY SECURITY

Continuous and uninterrupted service by the CITY and its employees to the citizens, and orderly employee relations between the CITY and its EMPLOYEES being essential considerations of this MOU, the ECPOAMG agrees, on behalf of itself and its members, individually and collectively, that there shall not be any strikes, boycotting, work stoppages, shutdowns, or slowdown-speed-up actions, or a concerted refusal to render services or to work overtime or any other curtailment, restriction or acceleration of work at any time during the term of this MOU.

Nothing shall be construed in this MOU to prevent the ECPOAMG or the EMPLOYEES from exercising any legal rights prescribed by Federal or State Law.

#### ARTICLE 18 - EMPLOYEE ASSISTANCE PROGRAM

The CITY agrees to continue funding an EMPLOYEE Assistance Program as proposed by the ECPOA, ECPOAMG, ECFFA, and Fire management to a maximum cost to the CITY of \$30,000 for the term of this contract. Details shall be finalized as part of a separate contract with the provider and will be available from either the ECPOAMG or the CITY.

## ARTICLE 19

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## ARTICLE 20 - ECPOAMG RIGHTS

### SECTION A. ECPOAMG Rights

The CITY recognizes the right of the ECPOAMG to govern its internal affairs.

### SECTION B. Dues Deduction

Upon the receipt of a written request and authorization from an EMPLOYEE for deduction of ECPOAMG "dues", the CITY shall withhold such dues from the salary of the EMPLOYEE on a bi-weekly payroll basis and remit the withholdings to the ECPOAMG in a timely manner. The CITY shall continue to withhold such dues until the EMPLOYEE files a written statement with the CITY withdrawing authorization for the continued withholding of the dues, giving at least 30 days' advance notice.

### SECTION C. Bulletin Board

The ECPOAMG shall have shared use of specific bulletin board space with the ECPOA, clearly marked and identified as such, of approximately 4 feet by 8 feet in dimension, located in the briefing room of the Police Department. The Police Chief, the ECPOAMG and ECPOA shall designate the authorized bulletin board space and said space shall be the only space which is authorized for the posting of their business. Material placed on the bulletin board shall be at the discretion of the members with the understanding that materials so posted shall only be for legitimate communications with members. Said postings shall not be offensive to good taste, defamatory, or involve support or opposition to candidates for political office within the CITY government. The ECPOA and ECPOAMG shall be responsible for maintaining the space provided in an orderly condition and shall promptly remove outdated materials.

### SECTION D. EMPLOYEE Representation

The EMPLOYEE shall be allowed to designate a representative to assist said EMPLOYEE in: 1. Preparing and presenting grievances. 2. Preparing and processing material for Disciplinary Hearings. 3. Preparing and presenting material for any legitimate Employer-Employee relations matter for which representation is granted pursuant to existing law.

### SECTION E. Safety Committee Representation

The ECPOAMG shall have a member serve on the Safety Committee in accordance with City Council Policy A-9, Safety Committee. (Please refer to A-9 for details).

### SECTION F. Access to Work Locations

Reasonable access to EMPLOYEE work locations shall be granted to the officers of the Association and its designated official representative during EMPLOYEES' work hours for the purpose of processing grievances or to contact members of the Association concerning

business within the scope of representation. Such officers or representative desiring access shall follow departmental procedures governing non-EMPLOYEE access to work locations.

Association meetings may be held during work hours at the police facility provided the proposed Association meeting does not interfere with the normal operations of the department.

#### ARTICLE 21 - CURRENT PRACTICES

It is understood that existing ordinances, resolutions, City Council and administrative policies of the CITY, Personnel Rules, and Police Department Rules and Regulations covering matters pertaining to employer-employee relations including, but not limited to, wages, salaries, benefits, hours and other terms and conditions of employment, are hereby incorporated herein by this reference and made a part hereof as though set forth in full and, except as provided herein, shall remain in full force and effect during the term thereof, except to the extent the parties agreed to modify them during the negotiations resulting in this MOU.

#### ARTICLE 22 - MAINTENANCE OF BENEFITS

The status of all existing benefits and conditions of employment now enjoyed by EMPLOYEES shall not be deemed affected by this MOU, except as specifically modified by provisions hereof or by actions taken in implementation thereof.

The CITY and ECPOAMG hereby expressly waive any right to request any improvements or other changes in the wages, hours, or other conditions of employment of EMPLOYEES in the ECPOAMG covered by this MOU. Neither the CITY nor the ECPOAMG shall be required to "Meet and Confer" as to any such request unless by mutual consent of both parties, except to the extent required by this MOU. The right of ECPOAMG and the CITY to "Meet and Confer" on the interpretation of application of this MOU is excluded in the waiver described above.

#### ARTICLE 23 - TERMS AND RENEGOTIATION

##### SECTION A. GENERAL

This MOU shall become effective only after ratification by members of the ECPOAMG and adoption by the City Council of the CITY and continue in effect through June 30, 2019.

##### SECTION B. RE-OPENER FOR CHANGES TO AFFORDABLE CARE ACT (ACA)

The CITY may re-open this MOU to negotiate the subject of benefits provided in this MOU in relation to the Affordable Care Act or its impacts.

##### SECTION C. RE-OPENER FOR BODY CAMERAS

The City may re-open this MOU to negotiate the subject of body cameras. Nothing in this MOU shall prevent the City from initiating or continuing negotiations with ECPOAMG on the subject of the use of body cameras and related policies.

Should either party to this MOU desire to Meet and Confer on a successor MOU, that party shall serve upon the other a written request for such meet and confer, prior to March 1, 2019.

This MOU is effective through June 30, 2019.

For the CITY

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Douglas Williford  
City Manager

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Clay Schoen  
Director of Finance/City Treasurer

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Jim Lynch  
Director of Administrative Services

For the ECPOAMG

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Robert W. Ransweiler III,  
ECPOA-MG President  
Police Lieutenant

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Royal Bates,  
ECPOA-MG Representative  
Police Lieutenant



City Council  
Agenda Report

**DATE:** October 27, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Clay Schoen, Director of Finance  
**SUBJECT:** 2020 Investment Policy Update

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**RECOMMENDATION:**

That the City Council and Housing Authority, respectively, adopts the next Resolution, in order, adopting the City of El Cajon Investment Policy and delegating investment authorities to the Director of Finance/Authority Treasurer.

**BACKGROUND:**

The City's investment policy requires that the policy be reviewed and adopted annually. The City's policy was first adopted by the City Council on May 15, 1996. In 2002, the National Association of Public Treasurers in the United States and Canada certified the City's investment policy as meeting their established standards. The policy has since been reviewed for update every year thereafter to ensure compliance and sound investment practices.

In preparing the update, the City's investment advisor, Public Financial Management (PFM), was asked to review and provide comment. No changes are recommended with this update. The proposed investment policy is presented for consideration and approval.

**FISCAL IMPACT:**

Prudent investments provide for the safekeeping of funds and are an important revenue source.

Prepared By: Clay Schoen, Director of Finance

Reviewed By: N/A

Approved By: Graham Mitchell, City Manager

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Attachments

Resolution - City

Resolution - ECHA

Proposed 2020 Investment Policy

PFM Comment Memo

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RESOLUTION NO. \_\_-20

A RESOLUTION ADOPTING THE  
CITY OF EL CAJON  
INVESTMENT POLICY AND  
DELEGATING INVESTMENT AUTHORITY  
TO THE DIRECTOR OF FINANCE

WHEREAS, the City of El Cajon Investment Policy is created for the purpose of establishing safekeeping of principal and prudent investment of City funds; and

WHEREAS, the policy has been updated to conform to state investment laws, enacted during the past year; and

WHEREAS, the policy has been prepared to standards promulgated by the Municipal Treasurers Association of the United States and Canada; and

WHEREAS, the investment policy has been reviewed by the City's investment advisors, Public Financial Management.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The City Council hereby adopts the City of El Cajon Investment Policy, dated September, 2020.

2. The City Council hereby delegates, to the Director of Finance, the authority to invest and reinvest funds of the City, and to sell and exchange securities so purchased, for the period of September 1, 2020, to and including August 31, 2021.

RESOLUTION NO. ECHA-\_\_

A RESOLUTION OF THE  
EL CAJON HOUSING AUTHORITY  
ADOPTING BY REFERENCE THE  
CITY OF EL CAJON INVESTMENT POLICY AND  
DELEGATING INVESTMENT AUTHORITY  
TO THE TREASURER

WHEREAS, the City of El Cajon Investment Policy is created for the purpose of establishing safekeeping of principal and prudent investment of Housing Authority funds; and

WHEREAS, the policy has been updated to conform to state investment laws, enacted during the past year; and

WHEREAS, the policy has been prepared to standards promulgated by the Municipal Treasurers Association of the United States and Canada; and

WHEREAS, the investment policy has been reviewed by the City's investment advisors, Public Financial Management.

NOW THEREFORE, BE IT RESOLVED BY THE EL CAJON HOUSING AUTHORITY AS FOLLOWS:

1. The Housing Authority adopts by this reference the City of El Cajon Investment Policy, dated September, 2020, as the Investment Policy for the Housing Authority.

2. The Housing Authority hereby delegates, to the Treasurer, the authority to invest and reinvest funds of the El Cajon Housing Authority, and to sell and exchange securities so purchased, for the period of September 1, 2020, to and including August 31, 2021.



**1. Purpose**

This Statement is intended to provide guidelines for the prudent investment of the City's temporarily idle cash, and outline the policies for maximizing the efficiency of the City's cash management system. The investment goal is to enhance the economic condition of the City while insuring the safety of funds invested.

**2. Scope**

This investment policy applies to all financial assets of the City of El Cajon. Funds applicable are as accounted for in the City's Comprehensive Annual Financial Report and include:

- 2.1 Major Governmental Funds
- 2.2 Non-Major Governmental Funds
- 2.3 Enterprise Fund
- 2.4 Internal Service Funds
- 2.5 Agency Funds

Additionally, the City provides cash management and investment services for:

- 2.1 El Cajon Housing Authority
- 2.2 Heartland Fire Training Facility Authority Funds
- 2.3 Heartland Communication Facility Authority Funds
- 2.4 Successor Agency to the Former El Cajon Redevelopment Agency

**3. Objective**

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain the highest yield on its investments consistent with the criteria established for safety and liquidity.

**4. Policy**

It is the policy of the City of El Cajon to invest public funds in a manner that will provide maximum security with the highest investment return while meeting the daily cash flow demands of the City.

The primary objectives, in priority order, of the City's investment activities shall be:

- 4.1 **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to reduce the potential for loss of principal, interest or combination of

the two. The City invests only in those instruments that are considered very safe.

4.2 Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated. Liquidity refers to the ability to convert an investment to cash promptly with minimum risk of losing some portion of principal or interest.

4.3 Yield: Yield is defined as the average annual return on an investment based on the interest rate, price, and length of time to maturity. The City attempts to obtain the highest yield possible, provided that the basic criteria of safety and liquidity have been met. The City's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and cash flow characteristics of the portfolio.

**5. Prudence**

Investments will conform to all state and local statutes governing the investment of public funds. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City. The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers, acting in accordance with written procedures and the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**6. Authorized Investments**

The City is empowered by statute to invest in securities listed below.

Percentage holding limits listed in this section apply at the time the security is purchased. In the event a security held by the City is subject to a credit rating change that brings it below the minimum credit ratings specified in this policy, the Director of Finance/Treasurer should notify the City Council of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the change, prognosis for recovery or further rate drops, and the market price of the security.

Bond reserves and proceeds shall be invested in securities permitted by the applicable bond documents. If the bond documents are silent as to permitted investments, bond proceeds will be invested in securities permitted by this Policy:

- 6.1 Bank Deposits FDIC insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, time certificates of deposits (“TCDs”) and other types of bank deposits in financial institutions located in California. The amount on deposit in any financial institution shall not exceed the shareholder’s equity. To be eligible to receive City deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Redevelopment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et seq. The Director of Finance/Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The City shall have a signed agreement with any depository accepting City funds per Government Code Section 53649. The maturity of TCDs may not exceed 1 year in maturity. There is no limit on the percentage of the portfolio that may be invested in bank deposits. However, a maximum of 20 percent of the portfolio may be invested in TCDs.
- 6.2 Negotiable Certificates of Deposit Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases are limited to institutions which have long-term debt rated in the rating category of “A” or its equivalent or better by a Nationally Recognized Statistical Rating Organization (“NRSRO”); and/or have short-term debt rated “A-1” or higher or its equivalent by a NRSRO. Purchases of Negotiable CDs may not exceed 30% of the City’s investment portfolio.
- 6.3 Placement Service Deposits Bank deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States. The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. Placement Deposits shall meet all of the requirements of Government Code Section 53601.8. Purchases of Placement Service CDs may not exceed 30% of the City’s investment portfolio.
- 6.4 Securities of the U.S. Government or its Agencies Federal agency or United States government-sponsored enterprise obligations, participations,

or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

- 6.5 Treasury Bills and Notes U.S. Treasury Bills, Notes, Bonds or Certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
  
- 6.6 Medium-Term Notes Medium-term notes are defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated in the rating category of “A” or its equivalent or better by a NRSRO. A maximum of 30 percent of the portfolio may be invested in this category.
  
- 6.7 Municipal Debt Registered treasury notes or bonds of this or any of the other 49 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state or any of the other 49 United States.

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Purchases are limited to securities rated in the rating category of “A” or its equivalent or better by a NRSRO. A maximum of 20 percent of the portfolio may be invested in this category. The amount invested with any one issuer shall not exceed 10 percent of the portfolio.

- 6.8 Supranationals. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and shall not exceed 30 percent of the portfolio.
  
- 6.9 Asset-Backed Securities. Asset-backed securities include mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed

or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, and consumer receivable-backed bonds. Purchases are limited to securities rated in a rating category of "AA" or its equivalent or better by a NRSRO. A maximum of 20 percent of the portfolio may be invested in this category.

6.10 Local Agency Investment Fund (LAIF) Investment of funds in the California State Pool (LAIF), subject to the State's maximum investment regulation.

6.11 Bankers' Acceptance Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as Bankers' Acceptances, which are eligible for purchase by the Federal Reserve System, the short term paper of which is rated in the highest category by a NRSRO. Purchases of Bankers' Acceptances may not exceed 180 days maturity or 30% of the City's investment portfolio.

6.12 Commercial Paper rated the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the conditions in either paragraph (1) or paragraph (2):

(1) The corporation shall be organized and operating within the United States, shall have total assets in excess of five hundred million dollars (\$500,000,000), and shall issue debt, other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO.

(2) The corporation shall be organized with the United States as a special purpose corporation, trust, or limited liability company, has program wide credit enhancements including, but not limited to, over collateralizations, letters of credit, or surety bond; has commercial paper that is rated "A-1" or higher, or its equivalent, by a NRSRO.

Purchases of commercial paper may not exceed 25% of the City's investment portfolio.

6.13 Repurchase Agreements (Repos) A purchase of securities by the City pursuant to an agreement by which the seller will repurchase such securities on or before a specified date, or on demand of either party, and for a specified amount. Investments in repos will be used solely as short-term investments not to exceed 30 days or 30% of the City's investment portfolio. Prior to investing in repurchase agreements the City shall have properly executed a master repurchase agreement with each counterparty with which it enters into repurchase agreements.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in Section 6.4 and 6.5, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the City's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102 percent of the total dollar value of the money invested by the City for the term of the investment. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis. Market Value must be calculated each time there is a substitution of collateral.

The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

The City may enter into Repurchase Agreements with (1) primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York, and (2) California and non-California banking institutions having assets in excess of \$1 billion and in the highest short-term rating category as provided by a NRSRO.

- 6.14 Money Market Mutual Funds Mutual funds must consist of securities and obligations of the U.S. Treasury and agencies of the federal government, and repurchase agreements collateralized with U.S. Treasury and Federal Agency obligations. The management companies shall either (1) attain the highest ranking or the highest letters and numerical rating provided by not less than two of the three largest NRSRO, or (2) have an investment advisor registered with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations as authorized above and with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price of shares for beneficial interest purchase shall not include any commission and shall not exceed 15% of the City's surplus money, which may be invested.
- 6.15 County of San Diego Treasury (County Pool) Investment in the County of San Diego Treasury pool not to exceed 30% of the City's investment portfolio.

- 6.16 California Asset Management Trust Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Government Code. Investment in the Trust's Cash Reserve Portfolio (pool) not to exceed 30% of the City's investment portfolio.
- 6.17 Other investments that are, or may become, legal investments through the State of California Government Code and with prior approval of the City Council.

**7. Diversification and Maturity**

The investment portfolio shall be diversified among security types, individual financial institutions or maturity segments. In addition to the percentage limitation specified in Section 6 above, the maximum amount of the portfolio the City may invest with any one non-governmental issuer is 10%. Percentage limitations apply at time of purchase.

This investment policy limits maturities to five years unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the City Council no less than three months prior to the investment. Bond reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of funds.

**8. Investment Reports**

The Director of Finance/Treasurer shall submit a quarterly investment report to the City Manager and City Council as soon as practical but no later than 60 days after the close of the quarter, except at fiscal year-end when the report shall be submitted no later than 90 days after the close of the quarter. The report shall include performance, market sector and interest earnings, the state of the investment market, highlight changes since the last report, and discuss investment strategy. Reporting shall be on the basis of both cost and market. The report shall include:

- 8.1 A listing of individual securities held at the end of the reporting period by authorized investment category.
- 8.2 A listing of all investment types at par values, date of maturity, and the market value.
- 8.3 Quarterly historical data by investment category.
- 8.4 Pool investment portfolio make-up, by investment categories (BA's, CD's, Commercial Paper, Agencies, etc.).

8.5 Percentage of portfolio represented by each investment category.

The policy recognizes that reporting on a market basis will periodically cause market gains or losses to be reported. In most instances such gains or losses will not be realized since individual securities with specific maturities are purchased based upon projected cash flows and normally will not be liquidated prior to maturity.

The report shall state whether the investments comply with the investment policy, or manner in which the portfolio is not in compliance, and whether the City will be able to meet its needs for cash for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

**9. Internal Controls**

The Director of Finance/Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgment by management. The internal controls shall address the following points:

- 9.1 Control of Collusion - Collusion is a situation where two or more employees are working together to defraud their employer.
- 9.2 Separation of Duties - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- 9.3 Custodial Safekeeping - Securities purchased from any bank or dealer, including appropriate collateral, shall be placed and held by a third party custodian designated by the Director of Finance/Treasurer and evidenced by safekeeping receipts.
- 9.4 Avoidance of physical delivery securities - Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. All security transactions entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis.
- 9.5 Clear Delegation of Authority - Subordinate staff members must have a clear understanding of their authority and responsibility to avoid improper actions.



- 9.6 Written Confirmation of Telephone Transactions for Investments and Wire Transfers - Due to the potential for error arising from telephone transactions, all telephone transactions shall be supported by written communications and approved by the appropriate person.
- 9.7 The Director of Finance/Treasurer shall establish an annual process of independent review by the external auditor. This review will provide internal control by assuring compliance with policies and procedures.
- 9.8 The Director of Finance/Treasurer shall establish a review process for government investment pools used by the City. At a minimum, the City shall maintain on file a copy of the pool's investment policy and its requirements for participation, including limitations on deposits or withdrawals. For any pools used by the City, the Director of Finance/Treasurer shall include a listing by report to the Board quarterly by percentage the amount the pool has invested by investment sector.

**10. Use of Professional Investment Manager**

The City has engaged an investment advisor to assist in its investment program. Investments made by the Investment Advisor will be under the direction of the Director of Finance/Treasurer and will conform to this policy and within limitations of the Government Code.

**11. Authorized Financial Dealers and Institutions**

For transactions executed by the City's Investment Advisor, the Investment Advisor shall select broker/dealers according to Investment Advisor's selection policy. The use of broker/dealers will conform to the Investment Advisor's approved list at the time of investment. For transactions executed directly by the City and not purchased from the issuer, the Director of Finance/Treasurer will maintain a list of financial institutions authorized to execute investment transactions.

**12. Safekeeping and Custody**

All security transactions entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all securities owned by the City shall be held in safekeeping by a third party bank trust department, acting as agent for the City under the terms of a custody agreement executed by the bank and by the City. The only exception to the foregoing shall be investments in: (i) depository accounts, (ii) LAIF, the county pool and other local government investment pools, and (iii) money

market mutual funds, since the purchased securities are not deliverable. Evidence of each these investments will be held by the City.

**13. Other Constraints**

The City shall operate its investments within the many stated and self-imposed constraints. The City shall not leverage funds for investment purposes. It shall buy no stocks, shall not speculate, nor shall it deal in futures or options, or buy on the margin. Outside of participation in the State and County investment pools, the City shall not have any investments in exotic instruments such as inverse floaters, range notes, or mortgage-derived, interest-only strips, reverse repurchase agreements, or flexible repurchase agreements. The City will not purchase any security having an interest rate derived from an index, commodity price or other variable, i.e., securities commonly known as derivatives. The City may invest in floating rate securities.

**14. Performance Standards – Yield**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs. The City may utilize either a passive or active management approach of portfolio assets. Accordingly, the City may from time to time sell securities that it owns in order to better reposition its portfolio assets in accordance with changes in cash flow schedules or market conditions. Given this strategy, the basis used by the Director of Finance/Treasurer to determine whether market yields are being achieved shall be to compare the City's portfolio yield to LAIF and two-year Treasury Note rates.

**15. Ethics and Conflict of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City.

**16. Investment Procedures**

The Director of Finance/Treasurer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures include reference to: safekeeping, repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to

persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance/Treasurer.

**17. Delegation of Authority**

Management responsibility for the investment program is hereby delegated for a one-year period to the Director of Finance/Treasurer who shall have full responsibility until the delegation of authority is revoked or expires for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures in the absence of the Director of Finance/Treasurer.

**18. Investment Policy Adoption**

The City's investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed annually by the City Council and any modifications made thereto must be approved by the City Council.



October 8, 2020

## Memorandum

To: Clay Schoen, CPA, Director of Financer  
*City of El Cajon*

From: Sarah Meacham, Managing Director  
Richard Babbe, CCM, Senior Managing Consultant  
*PFM Asset Management LLC*

Re: 2020 Investment Policy Review

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We completed our annual review of the City of El Cajon's ("City") Investment Policy ("Policy"). As written, the Policy is comprehensive and in compliance with the California Government Code ("Code") sections that govern the investment of public funds. Although we are not recommending any changes, we want to notify you about several recent and upcoming Code changes, which are described below.

Effective January 1, 2020, California State Treasurer Fiona Ma increased the LAIF deposit limit for regular accounts to \$75 million from the previous \$65 million. As the Policy does not list a dollar limit for LAIF, no Policy change is required to incorporate this change.

Assembly Bill No. 954, which took effect January 1, 2020, increased the amount that local agencies can invest in placement service deposits (Code Section 53601.8) to 50% from 30%. Unless amended, this revision is repealed as of January 1, 2026. To encourage diversification, we recommend that the City maintain the Policy's current 30% limit.

Assembly Bill No. 857, which took effect January 1, 2020, provides for the establishment of public banks by local agencies. This Bill also added subsection (r) to Code section 53601, which permits local agencies to invest in the debt obligations of a public bank. However, we do not recommend that the Authority add this investment type to the Policy, as we are not aware of any public banks that are in operation. Furthermore, we would want to review the operational history and credit quality of any public bank before we would recommend investing in its securities.

Senate Bill No. 988, which will take effect January 1, 2021, increases the holding limit for Commercial Paper (Code Section 53601 (h)) to 40% from 25% for any local agency with more than \$100 million under management. As the City's portfolio makes limited use of commercial paper, we recommend that the City maintain the Policy's current 25% limit. One of the Bill's other provisions, which applies to all local agencies, is to limit the amount invested in commercial paper and medium-term notes of any one issuer to 10% of the portfolio. However, as the Policy already has a 10% per issuer limit, no change to the Policy is required.

Please let us know if you have any questions or if you would like to discuss our comments in more detail.



City Council  
Agenda Report

**DATE:** October 27, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Clay Schoen, Director of Finance  
**SUBJECT:** Adoption of a Pension Funding Policy

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**RECOMMENDATION:**

That the City Council adopts the next Resolution, in order, to approve a Pension Funding Policy.

**BACKGROUND:**

The proposed City of El Cajon Pension Funding Policy (attached) has been developed to provide guidance in the management of the City's employee defined benefit pension plans. These plans, administered by the California Public Employees' Retirement System (CalPERS), have been established for sworn public safety (Safety) and non-sworn (Miscellaneous) personnel. The funding of these plans has been a significant fiscal challenge for the City for many years. As a result, the City began efforts earlier this year to address the issue.

On January 14, 2020, the City Council hired Urban Futures, Inc., to provide pension advisory services to assist City staff in evaluating potential funding solutions and developing recommendations to address the City's rising pension costs and its unfunded accrued liabilities. Then, On February 25, 2020, the City Council provided staff with directions to proceed on the following items:

- Direct staff to commence Judicial Validation Proceedings in order to obtain authority to issue Pension Obligation Bonds;
- Direct the City Manager to hire Stradling, Yocca, Carlson & Rauth under a professional services agreement to file the judicial validation proceedings;
- Establish a Section 115 Trust with Public Agency Retirement Services to pre-fund retiree obligations and serve as a pension stabilization fund;
- Direct staff to draft Pension Funding Policies to document a long-term financing plan to address unfunded retirement costs.

This action submits a proposed Pension Funding Policy for consideration. A draft Annual Pension Status Report as discussed in the proposed policy is attached.

**FISCAL IMPACT:**

There is no direct fiscal impact associated with the adoption of the proposed Pension Funding Policy. However, the conservative and assertive guidance provided by such a policy will impact future decisions related to employee defined benefit pension plans.

Prepared By: Clay Schoen, Director of Finance

Reviewed By: N/A

Approved By: Graham Mitchell, City Manager

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**Attachments**

Resolution

Proposed Pension Funding Policy

Proposed Pension Status Report

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RESOLUTION NO. \_\_-20

A RESOLUTION OF THE CITY OF EL CAJON  
ADOPTING A PENSION FUNDING POLICY

WHEREAS, a Pension Funding Policy has been developed for the City of El Cajon (the "City") to provide guidance in the management of the City's employee defined benefit pension plans established for sworn public safety ("Safety") and non-sworn ("Miscellaneous") personnel and administered by the California Public Employees' Retirement System ("CalPERS"); and

WHEREAS, as a result of historically low returns on investments by CalPERS, the funding of these plans has been a significant fiscal challenge for the City for many years and on January 14, 2020, the City Council hired Urban Futures, Inc., to provide pension advisory services to assist City staff in evaluating potential funding solutions and developing recommendations to address the City's rising pension costs and its unfunded accrued liabilities; and

WHEREAS, on February 25, 2020, the City Council (1) directed staff to commence judicial validation proceedings in order to obtain authority to issue Pension Obligation Bonds; (2) directed the City Manager to hire Stradling, Yocca, Carlson & Rauth under a professional services agreement to file the judicial validation proceedings; (3) directed staff to establish a Section 115 Trust with Public Agency Retirement Services to pre-fund retiree obligations and serve as a pension stabilization fund; and (4) directed staff to draft pension funding policies to document a long-term financing plan to address unfunded retirement costs; and

WHEREAS, City staff hereby recommends that the City Council approves and adopts the Pension Funding Policy attached hereto as Exhibit "A," which will provide conservative and assertive guidance to employee defined benefit pension plans.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The foregoing recitals are true and correct and are the findings of the City Council.
2. The City Council hereby adopts the Pension Funding Policy attached hereto as Exhibit "A."
3. This Resolution shall take effect immediately upon adoption.

**CITY OF EL CAJON  
CITY COUNCIL POLICY**

<b>SUBJECT : PENSION FUNDING POLICY</b>		<b>POLICY</b>
<b>REFERENCE :</b>	<b>EFFECTIVE</b>	<b>PAGE</b>

This policy is intended to provide guidance and strategies to current and future City Councils for addressing the City's retirement liabilities. The policy includes policy directives and financing mechanisms.

**Background**

The City has a history of being fiscally conservative and maintaining fiscally responsible management practices. The City recognizes the unfunded CalPERS liability can continue to cause financial stress in the organization and redirect precious resources away from programs and services necessary for the City's operations and service to the public. As such, the City seeks to stabilize its unfunded CalPERS liability in the most cost-efficient manner possible.

CalPERS Normal Costs represent the cost of pension benefits earned by current employees in the current fiscal year. Normal Costs are paid as a percentage of the City's payroll. Unfunded Accrued Liability ("UAL") represents unfunded benefits earned for employees' prior years' service, and amounts due to changes in investment performance, employee/retiree events, benefit levels, and actuarial assumptions. UAL payments are fixed dollar amounts adjusted annually by CalPERS.

**Required Contributions**

The City shall make all Actuarially Determined Contributions each year as prescribed by plan actuaries.

**Target Funding Level**

The City shall seek to maintain its pension funding level at **90%** funded for each of its plans.

**Annual Pension Review**

Addressing retirement costs is a dynamic process. CalPERS makes adjustments annually to a City's Normal Cost and Unfunded Accrued Liability (UAL). These changes require multi-year financial planning and for the City to make corresponding budgetary adjustments. The City shall therefore evaluate its pension liabilities each year.

After the release of the most current CalPERS actuarial report, staff shall present a summary of each plan's funding status. New amortization levels shall be specifically addressed. This information shall be presented during a public City Council meeting, which shall include a



**CITY OF EL CAJON  
CITY COUNCIL POLICY**

<b>SUBJECT: PENSION FUNDING POLICY</b>		<b>POLICY</b>
<b>REFERENCE:</b>	<b>EFFECTIVE</b>	<b>PAGE</b>

summary of funding status, funding progress compared to prior years, as well as any recommended actions and/or budget adjustments to address areas of concern.

**Allocation of Additional Resources**

The City seeks to maintain adequate levels of reserves in accordance with its stated reserve goals and adopted reserve policies. To the extent that the City has excess reserves, generates an operating surplus, generates savings from other pension related strategies, or receives significant one-time revenues, the City shall endeavor to apply a portion of such monies toward its unfunded retirement costs in the form of either Additional Discretionary Payments to CalPERS directly, or deposit funds in either a designated reserve or in its PARS Sec 115 Trust.

**PARS Sec 115 Trust**

The City shall maintain a PARS Sec 115 Trust for the purpose of pension rate stabilization. This resource is critical for providing security from rapid changes to required contributions. These funds can be used for the purpose of making Additional Discretionary Payments at any time; however, for the purpose of providing rate stabilization and budgetary relief, shall only be allocated in conjunction with the Annual Pension Review.

**Pension Obligation Bonds (POBs)**

The City may issue POBs to "refinance" a portion of its CalPERS UAL. After thorough analysis, POBs may be issued in order to reduce the annual payment obligations and stabilize UAL payments so the City can plan for its future liabilities to CalPERS.

To address risks related to the issuance of POBs, the City shall ensure that:

1. POBs shall not be structured to defer payments or extend the final maturity date.
2. POBs shall be structured with standard 10-year call provisions.
3. POBs shall not finance Normal Costs.
4. Bonds shall only be used to refinance unfunded pension liabilities.
5. Interest rate shall be at least 2.0% less than the current CalPERS discount rate.
6. POBs should provide significant demonstrated cash flow savings.
7. To maximize the benefit of POBs, the City shall seek the reinvestment of cash flow savings into other liability reduction strategies, such as additional payments to a PARS Sec 115 Trust.

**CITY OF EL CAJON  
CITY COUNCIL POLICY**

**SUBJECT: PENSION FUNDING POLICY**

**POLICY**

**REFERENCE:**

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**Superfunding**

In the event that either City plan achieves superfunded status, where funding exceeds 100%, excess amounts shall not be used for contribution holidays or to grant new benefits. Amounts in excess shall be viewed similarly as reserves: maintained in order to protect from downturns and negative events.

The City's Pension Funding Policy shall be adopted by Resolution during a Public Hearing. The Policy is intended to serve as a living document, which will require periodic review and updates to take into account changes in the City's financial position. Any amendments to this Policy shall be made by Resolution during a Public Hearing to provide transparency to the public and the opportunity for input.

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This policy is intended to provide guidance and strategies to current and future City Councils for addressing the City's retirement liabilities. The policy includes policy directives and financing mechanisms.

**Background**

The City has a history of being fiscally conservative and maintaining fiscally responsible management practices. The City recognizes the unfunded CalPERS liability can continue to cause financial stress in the organization and redirect precious resources away from programs and services necessary for the City's operations and service to the public. As such, the City seeks to stabilize its unfunded CalPERS liability in the most cost-efficient manner possible.

CalPERS Normal Costs represent the cost of pension benefits earned by current employees in the current fiscal year. Normal Costs are paid as a percentage of the City's payroll. Unfunded Accrued Liability ("UAL") represents unfunded benefits earned for employees' prior years' service, and amounts due to changes in investment performance, employee/retiree events, benefit levels, and actuarial assumptions. UAL payments are fixed dollar amounts adjusted annually by CalPERS.

**Required Contributions**

The City shall make all Actuarially Determined Contributions each year as prescribed by plan actuaries.

**Target Funding Level**

The City shall seek to maintain its pension funding level at **90%** funded for each of its plans.

**Annual Pension Review**

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# City of El Cajon Annual Pension Status Report

(Source: June 30, 2019 CalPERS Plan Actuarial Valuations)

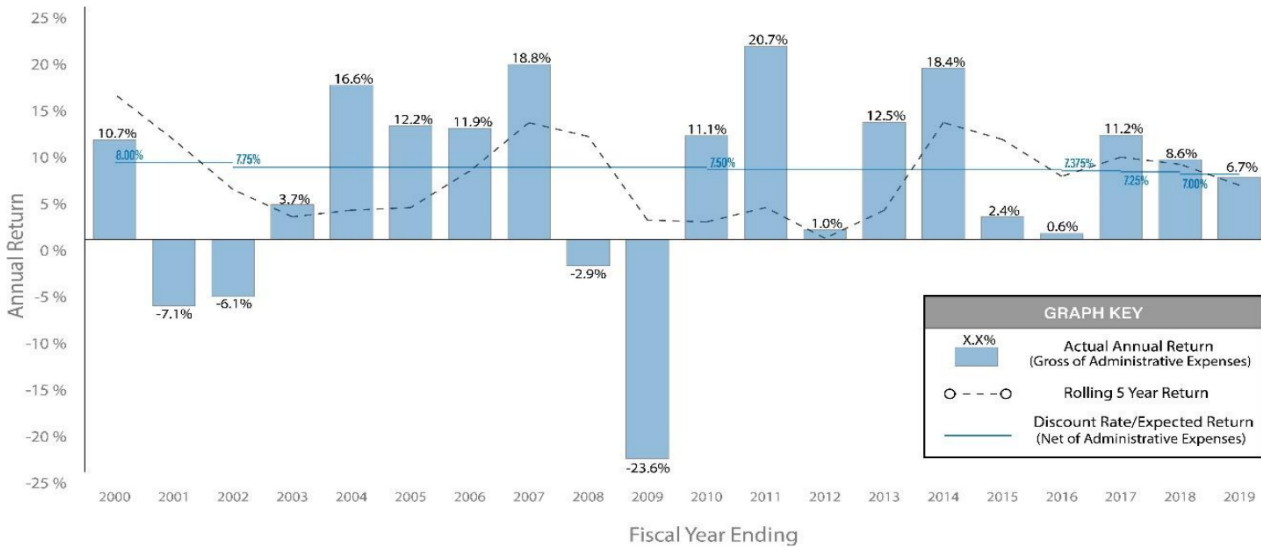
Valuation Date	Safety Plan		Miscellaneous Plan		Combined Plans			Status
	Plan Liability	Plan Assets	Plan Liability	Plan Assets	Total Liability	Total Assets	Unfunded	
June 30, 2019	\$ 339,193,406	\$ 210,268,697	\$ 239,685,601	\$ 161,538,723	\$ 578,879,007	\$ 371,807,420	\$ 207,071,587	64.2%
June 30, 2018	329,637,443	202,843,543	233,570,524	156,241,053	563,207,967	359,084,596	204,123,371	63.8%
June 30, 2017	309,732,456	193,702,654	218,395,632	149,048,480	528,128,088	342,751,134	185,376,954	64.9%
June 30, 2016	293,743,734	180,039,340	209,950,483	138,220,065	503,694,217	318,259,405	185,434,812	63.2%
June 30, 2015	283,472,973	185,930,792	201,489,297	141,996,648	484,962,270	327,927,440	157,034,830	67.6%
June 30, 2014	273,024,740	188,098,614	196,047,087	143,189,938	469,071,827	331,288,552	137,783,275	70.6%
June 30, 2013	250,722,908	166,418,715	179,006,378	125,744,840	429,729,286	292,163,555	137,565,731	68.0%
June 30, 2012	243,043,472	153,654,487	173,408,473	113,325,989	416,451,945	266,980,476	149,471,469	64.1%
June 30, 2011	234,599,761	159,337,257	166,665,778	116,255,217	401,265,539	275,592,474	125,673,065	68.7%

### New Amortization Bases

Plan	Reason for Base	Date Est.	Amort. Period	Balance 6/30/19	Balance 6/30/20	Balance 6/30/21
Safety	Non-Investment (Gain)/Loss	6/30/2019	20	\$ (993,409)	\$ (1,062,948)	\$ (1,137,354)
Safety	Investment (Gain)/Loss	6/30/2019	20	971,706	1,039,725	1,112,506
Miscellaneous	Non-Investment (Gain)/Loss	6/30/2019	20	183,893	196,766	210,540
Miscellaneous	Investment (Gain)/Loss	6/30/2019	20	704,754	754,087	806,873

### CalPERS Investment Returns

#### History of Investment Returns (2000 - 2019)



### Projected Contributions

	Future Employer Contributions*				
	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Safety Plan</b>					
Normal Cost %	20.2%	19.8%	19.4%	19.0%	18.6%
UAL Payment \$	9,326,877	10,120,000	10,662,000	11,200,000	11,532,000
<b>Miscellaneous Plan</b>					
Normal Cost %	12.0%	11.7%	11.4%	11.1%	10.7%
UAL Payment \$	7,382,505	7,964,000	8,343,000	7,005,000	6,670,000

\*2021-22 are required amounts, remaining years projected



## City Council Agenda Report

Agenda Item 7.

**DATE:** October 27, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Sara Diaz, Director of Information Technology  
**SUBJECT:** Cooperative Agreement - Citywide Enterprise Resource Planning (ERP) Software

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### RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to enter into an agreement for an Enterprise Resource Planning software program with Tyler Technologies, Inc., in the amount of \$1,867,266 for service through June 30, 2026, with the option to renew for five additional five-year terms.

### BACKGROUND:

Staff recommends that the City replace an outdated accounting/payroll software program with a Citywide Enterprise Resource Planning (ERP) software program that integrates many of the City's internal and external business functions and operations. This program would automate many back office functions related to technology, services, and development.

Over 20 years ago the City of El Cajon acquired the Sungard Pentamation finance software, (since renamed FinancePlus). FinancePlus acts as both a financial management system and a payment processing system for the entire City. In the past 3 years, the companies owning FinancePlus and providing support to City staff have been subject to several mergers and acquisitions of various companies, from Sungard, to Superior, to the City's current vendor CentralSquare.

In 2017, the City initiated a project to update FinancePlus to the latest software release. Over the past 3 years the vendor has been unable to provide a working product. It has become increasingly obvious that CentralSquare does not have the staff or capability to successfully complete this project and provide a dependable modern system capable of meeting the City's needs. Several other local cities using FinancePlus, including La Mesa and Coronado, are also moving away from Central Square due to support issues.

### The Search for a Replacement System

With the failure of the FinancePlus upgrade, the City is now in a dire situation. The servers running our City's finance system are the oldest in the City and could fail at any time. Due to the age of the servers, if a failure were to happen it would cause considerable downtime and disruption to City operations. CentralSquare has also notified the City that they plan to discontinue support of the version of FinancePlus the City currently uses.



The standard purchasing practice is to issue a Request for Proposal (RFP) and solicit vendors. The RFP process takes a considerable amount of time, especially in an industry where there are a limited number of companies that offer government specific ERP or financial systems. It can often take over a year to draft, issue, and evaluate an RFP.

With time being of the essence, staff reviewed RFP results from other Southern California cities, focusing on Coronado, Redlands, and Ontario. In two of the three RFPs, Tyler Munis was the clear winner, with the exception of the City of Ontario, which selected WorkDay Finance ERP (Tyler Munis came in second).

As an option to an RFP, Municipal Code Section 3.20.010(C)(5) authorizes the City to acquire equipment in cooperation with another governmental agency. Sourcewell is a national public service agency governed by a board of elected directors. It has the legal authority to facilitate cooperative procurement for a variety of services and equipment on behalf of public sector agencies across the country through the joint powers authority law within each state.

On December 15, 2015, Sourcewell awarded competitively-bid Contract No. 110515-TTI - Public Sector Administrative-Related Software Solutions & Technology Services to Tyler Technologies, Inc. As an existing Tyler Technologies customer with multiple software titles in use, the City of El Cajon qualifies for the Total Tyler discount of 14% off of list price when using Sourcewell Contract No. 110515-TTI. This exceeds the discounts offered to other California cities via the RFP process.

Tyler Technologies was founded in 1966 and is headquartered in Plano, Texas and is the largest software company in the nation solely focused on providing software and technology services to public sector agencies including cities, counties, states, and school districts. Tyler software is widely used by 128 other government agencies in California including Chula Vista, Encinitas, Poway, San Marcos, Solana Beach, Vista, Temecula, and Helix Water District.

The City's Purchasing Agent has worked with the IT Department, reviewed the request, and concurs that leveraging the purchasing power and extensive evaluation of the national Sourcewell Contract No. 110515-TTI with Tyler Technologies complies with the City's procurement requirements. Combined with the additional due diligence performed by IT Staff, utilization of the Sourcewell cooperative contract would likely be less expensive and more efficient than what we could obtain independently through an RFP process. For these reasons, both Solana Beach and Palm Springs have also recently purchased Tyler Munis using the Sourcewell cooperative contract.

Employing the Sourcewell cooperative contract allowed staff to formally evaluate the Tyler Munis product. Staff conducted 8 hours of demonstrations of the product, including sessions specifically for financials, human resources, utility billing, and asset management. The system was found to meet and exceed the needs of staff and those that participated highly recommended that the City move forward with Tyler Munis software.

A critical component of any ERP system is the ability to interface with multiple systems. Interfaces between vendors can be expensive to build and are often unstable. When at all possible, best practice is to use a common vendor between systems. The City currently uses the following Tyler Technology software:



- Computer Aided Dispatch at the Police Department (CAD)
- Mobile Dispatch at the Police Department (ShieldForce)
- Energov Community Development Suite (EnerGov)
- Energov Citizen Self Service (PACO)
- My Civic Community Engagement Application (The El Cajon App)

Tyler Munis is designed to work with all other Tyler products to provide a comprehensive and seamless transition as data moves between the systems.

In general, ERP systems come in two distinct offerings: on premises or cloud based Software as a Service. It is staff's recommendation to move towards the cloud based Software as a Service offering in order to continue to expand our Citizen Self Service capabilities through our PACO website and El Cajon city application. Tyler Munis Software as a Service also offers Employee Self Service enabling our employees to view employment details, update information, and select benefits choices on their own time.

#### FISCAL IMPACT:

The purchase and transition to Tyler Munis' cloud-based ERP system over the initial 5.5 year term represents a total cost of \$1,867,385. This cost includes an initial amount of \$537,575, for the migration from existing software systems and implementation to the new platform. Licensing to use the software will be prorated to \$120,881 for the remainder of the current fiscal year and \$241,762 annually thereafter throughout the remaining five years of the initial term, inclusive of annual maintenance.

Sufficient funds have been allocated in the IT Services fund (615110-9030) for Fiscal Year 2020-2021. Future budgets will require an additional appropriation of \$184,000 over current budget for ongoing annual licensing of the ERP system.

Prepared By: Sara Diaz, Director of Information Technology

Reviewed By: Clay Schoen, Director of Finance

Approved By: Graham Mitchell, City Manager

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#### Attachments

Resolution

Contract Docs

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RESOLUTION NO. \_\_-20

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF EL CAJON APPROVING AN AGREEMENT  
WITH TYLER TECHNOLOGIES, INC. FOR  
CITYWIDE ENTERPRISE RESOURCE PLANNING SOFTWARE

WHEREAS, over twenty (20) years ago the City of El Cajon (the "City") acquired the Sungard Pentamation ("Sungard") finance software (since renamed "FinancePlus"), which acts as both a financial management system and a payment processing system for the entire City; and

WHEREAS, in 2017, despite the City's best efforts to update FinancePlus to the latest software release, the vendor has been unable to provide a working product and likely will be unable to do so in order to meet the City's needs; and

WHEREAS, with the inability to upgrade FinancePlus and the vendor's decision to discontinue support of the software the City is now to the point where, due to the age of the existing hardware, a failure could occur at any time and would cause considerable downtime and disruption to City operations, and

WHEREAS, there are a limited number of companies offering government specific enterprise resource planning ("ERP") software (a business process management software allowing the use of a system of integrated applications to manage all of its internal and external business functions and operations, and to automate many back-office functions related to technology, services, and development); and

WHEREAS, staff has identified Tyler Munis as an industry leading product, providing a comprehensive suite encompassing financials, human resources, capital asset management, utility billing, and revenue tracking based on reviewing RFP results from other southern California cities, where the evaluation processes reveal that Tyler Munis would meet the City's needs; and

WHEREAS, as an option to an RFP, El Cajon Municipal Code section 3.20.010(C)(5) authorizes the City to acquire equipment in cooperation with another governmental agency; and

WHEREAS, on December 15, 2015, Sourcewell, a national public service agency governed by a board of elected directors, awarded competitively-bid Contract No. 110515-TTI - Public Sector Administrative-Related Software Solutions & Technology Services to Tyler Technologies, Inc. ("Tyler"), and as an existing Tyler customer with multiple software titles in use, the City qualifies for a discount of 14% off of list price when using Sourcewell Contract No. 110515-TTI; and

WHEREAS, staff has evaluated the Tyler Munis product extensively, including financials, human resources, utility billing, and asset management, and after review, the system was found to meet and exceed the needs of staff, including having the ability to interface with multiple systems based on existing Tyler software for (1) Computer Aided

Dispatch at the Police Department; (2) Mobile Dispatch at the Police Department; (3) Energov Community Development Suite; (4) Energov Citizen Self Service; and (5) My Civic Community Engagement Application; and

WHEREAS, the purchase and transition to Tyler Munis' cloud based ERP system over an initial five and a half (5½) year term allows for the migration from existing software systems and implementation to the new platform; licensing for use of the software at a prorated cost for the remainder of the current fiscal year; and annual savings throughout the remaining five years of the initial term, inclusive of annual maintenance; and

WHEREAS, City staff recommends that the City enter into an agreement with Tyler for the Tyler Munis ERP Software in the total not-to-exceed amount of \$1,867,266 for an initial five and a half (5½) year term, for service through June 30, 2026, with the option to renew for five (5) additional five-year terms.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The above recitals are true and correct, and are the findings of the City Council.

2. The City Council hereby approves the execution of an Agreement with Tyler Technologies, Inc. (the "Agreement"), with such changes as may be approved by the City Manager, for a term of five and a half (5.5) years, in the not-to-exceed amount of \$1,867,266, with the option to renew for five (5) additional five-year terms.

3. The City Manager and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of El Cajon.

4. The City Manager is hereby further authorized to execute, and the City Clerk is hereby authorized to attest the City Manager's signature, such amendments to the Agreement as may be necessary to approve any renewal terms of the Agreement as contemplated therein, and to make such other changes as may be necessary, in the determination of the City Manager, to implement the Agreement in the best interests of the City.



## SOFTWARE AS A SERVICE AGREEMENT

This Software as a Service Agreement is made between Tyler Technologies, Inc. ("Tyler") and the City of El Cajon, California ("Client").

WHEREAS, Client is a member of Sourcewell (formerly known as National Joint Powers Alliance) ("Sourcewell") under member number 46486;

WHEREAS, Tyler participated in the competitive bid process in response to Sourcewell RFP #110515 by submitting a proposal, on which Sourcewell awarded Tyler a Sourcewell contract, numbered 110515-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 NJPA Contract to procure certain Munis 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 Software as a 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 El Cajon, California.
- **"Data"** means your data necessary to utilize the Tyler Software.
- **"Data Storage Capacity"** means the contracted amount of storage capacity for your Data identified in the Investment Summary.
- **"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 Users"** means the number of concurrent users that are authorized to use the SaaS Services. As of the Effective Date, the Defined Users for the Agreement are 100, as identified in the Investment Summary.
- **"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 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.
- **“SaaS Fees”** means the fees for the SaaS Services identified in the Investment Summary.
- **“SaaS Services”** means software as a service consisting of system administration, system management, and system monitoring activities that Tyler performs for the Tyler Software, and includes the right to access and use the Tyler Software, receive maintenance and support on the Tyler Software, including Downtime resolution under the terms of the SLA, and Data storage and archiving. SaaS Services do not include support of an operating system or hardware, support outside of our normal business hours, or training, consulting or other professional services.
- **“SLA”** means the service level agreement. A copy of our current SLA is attached hereto as Exhibit C.
- **“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 Terms”** means, if any, the end user license agreement(s) or similar terms for the Third Party Software, as applicable and attached as Exhibit D.
- **“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 Software”** means the third party software, if any, identified in the Investment Summary.
- **“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 – SAAS SERVICES

1. Rights Granted. We grant to you the non-exclusive, non-assignable limited right to use the SaaS Services solely for your internal business purposes for the number of Defined Users only. The Tyler Software will be made available to you according to the terms of the SLA. You acknowledge that we have no delivery obligations and we will not ship copies of the Tyler Software as part of the SaaS

Services. You may use the SaaS Services to access updates and enhancements to the Tyler Software, as further described in Section C(8).

2. SaaS Fees. You agree to pay us the SaaS Fees. Those amounts are payable in accordance with our Invoicing and Payment Policy. The SaaS Fees are based on the number of Defined Users and amount of Data Storage Capacity. You may add additional Defined Users or additional Data storage capacity on the terms set forth in Section H(1). In the event you regularly and/or meaningfully exceed the Defined Users or Data Storage Capacity, we reserve the right to charge you additional fees commensurate with the overage(s).
3. Ownership.
  - 3.1 We retain all ownership and intellectual property rights to the SaaS Services, the Tyler Software, and anything developed by us under this Agreement. You do not acquire under this Agreement any license to use the Tyler Software in excess of the scope and/or duration of the SaaS Services.
  - 3.2 The Documentation is licensed to you and may be used and copied by your employees for internal, non-commercial reference purposes only.
  - 3.3 You retain all ownership and intellectual property rights to the Data. You expressly recognize that except to the extent necessary to carry out our obligations contained in this Agreement, we do not create or endorse any Data used in connection with the SaaS Services.
4. Restrictions. You may not: (a) make the Tyler Software or Documentation resulting from the SaaS Services available in any manner to any third party for use in the third party's business operations; (b) modify, make derivative works of, disassemble, reverse compile, or reverse engineer any part of the SaaS Services; (c) access or use the SaaS Services in order to build or support, and/or assist a third party in building or supporting, products or services competitive to us; or (d) license, sell, rent, lease, transfer, assign, distribute, display, host, outsource, disclose, permit timesharing or service bureau use, or otherwise commercially exploit or make the SaaS Services, Tyler Software, or Documentation available to any third party other than as expressly permitted by this Agreement.
5. Software Warranty. We warrant that the Tyler Software will perform without Defects during the term of this Agreement. If the Tyler Software does not perform as warranted, we will use all reasonable efforts, consistent with industry standards, to cure the Defect in accordance with the maintenance and support process set forth in Section C(8), below, the SLA and our then current Support Call Process.
6. SaaS Services.
  - 6.1 Our SaaS Services are audited at least yearly in accordance with the AICPA's Statement on Standards for Attestation Engagements ("SSAE") No. 18. We have attained, and will maintain, SOC 1 and SOC 2 compliance, or its equivalent, for so long as you are timely paying for SaaS Services. Upon execution of a mutually agreeable Non-Disclosure Agreement ("NDA"), we will provide you with a summary of our compliance report(s) or its equivalent. Every year thereafter, for so long as the NDA is in effect and in which you make a written request, we will provide that same information.

- 6.2 You will be hosted on shared hardware in a Tyler data center, but in a database dedicated to you, which is inaccessible to our other customers.
- 6.3 We have fully-redundant telecommunications access, electrical power, and the required hardware to provide access to the Tyler Software in the event of a disaster or component failure. In the event any of your Data has been lost or damaged due to an act or omission of Tyler or its subcontractors or due to a defect in Tyler's software, we will use best commercial efforts to restore all the Data on servers in accordance with the architectural design's capabilities and with the goal of minimizing any Data loss as greatly as possible. In no case shall the recovery point objective ("RPO") exceed a maximum of twenty-four (24) hours from declaration of disaster. For purposes of this subsection, RPO represents the maximum tolerable period during which your Data may be lost, measured in relation to a disaster we declare, said declaration will not be unreasonably withheld.
- 6.4 In the event we declare a disaster, our Recovery Time Objective ("RTO") is twenty-four (24) hours. For purposes of this subsection, RTO represents the amount of time, after we declare a disaster, within which your access to the Tyler Software must be restored.
- 6.5 We conduct annual penetration testing of either the production network and/or web application to be performed. We will maintain industry standard intrusion detection and prevention systems to monitor malicious activity in the network and to log and block any such activity. We will provide you with a written or electronic record of the actions taken by us in the event that any unauthorized access to your database(s) is detected as a result of our security protocols. We will undertake an additional security audit, on terms and timing to be mutually agreed to by the parties, at your written request. You may not attempt to bypass or subvert security restrictions in the SaaS Services or environments related to the Tyler Software. Unauthorized attempts to access files, passwords or other confidential information, and unauthorized vulnerability and penetration test scanning of our network and systems (hosted or otherwise) is prohibited without the prior written approval of our IT Security Officer.
- 6.6 We test our disaster recovery plan on an annual basis. Our standard test is not client-specific. Should you request a client-specific disaster recovery test, we will work with you to schedule and execute such a test on a mutually agreeable schedule.
- 6.7 We will be responsible for importing back-up and verifying that you can log-in. You will be responsible for running reports and testing critical processes to verify the returned Data. At your written request, we will provide test results to you within a commercially reasonable timeframe after receipt of the request.
- 6.8 We provide secure Data transmission paths between each of your workstations and our servers.
- 6.9 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. Our data centers are accessible only by authorized personnel with a unique key entry. All other visitors must be signed in and accompanied by authorized personnel. Entry attempts to the data center are regularly audited by internal staff and external auditors to ensure no unauthorized access.

6.10 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.

## SECTION C – OTHER PROFESSIONAL SERVICES

1. Other Professional 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 describes, 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. If travel is required, we will make all reasonable efforts to schedule travel for our personnel, 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.
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. Maintenance and Support. For so long as you timely pay your SaaS Fees according to the Invoicing and Payment Policy, then in addition to the terms set forth in the SLA and the Support Call Process, we will:

8.1 perform our maintenance and support obligations in a professional, good, and workmanlike manner, consistent with industry standards, to resolve Defects in the Tyler Software (limited to the then-current version and the immediately prior version);

8.2 provide telephone support during our established support hours;

8.3 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;

8.4 make available to you all major and minor releases to the Tyler Software (including updates and enhancements) that we make generally available without additional charge to customers who have a maintenance and support agreement in effect; and

8.5 provide non-Defect resolution support of prior releases of the Tyler Software in accordance with our then-current release life cycle policy.

We will use all reasonable efforts to perform 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. All remote access must be virtually escorted or approved by a Client employee upon initiation of a support ticket or the City of El Cajon IT Department in advance. 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 your VPN for backup connectivity purposes.

For the avoidance of doubt, SaaS Fees do not include the following services: (a) onsite support (unless Tyler cannot remotely correct a Defect in the Tyler Software, as set forth above); (b) application design; (c) other consulting services; or (d) support outside our normal business hours as listed in our then-current Support Call Process. Requested 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) weeks' advance notice.

#### **SECTION D – THIRD PARTY PRODUCTS**

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. As part of the SaaS Services, you will receive access to the Third Party Software and related documentation for internal business purposes only. Your rights to the Third Party Software will be governed by the Third Party Terms.

3. Third Party Products Warranties.

3.1 We are authorized by each Developer to grant access 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.

#### **SECTION E - INVOICING AND PAYMENT; INVOICE DISPUTES**

1. Invoicing and Payment. We will invoice you the SaaS Fees and fees for other professional services in the Investment Summary per our Invoicing and Payment Policy, subject to Section E(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 SaaS 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 F – TERM AND TERMINATION**

1. Term. This Agreement shall be effective as of the Effective Date. The initial term of the SaaS Services shall commence on January 1, 2021 and end on June 30, 2026, unless earlier terminated as

set forth below. Upon expiration of the initial term, and upon mutual agreement of both parties, this Agreement may renew for up to five (5) additional five (5) year renewal terms, each at our then-current SaaS Fees unless terminated in writing by either party at least sixty (60) days prior to the end of the initial term or the end of the then-current renewal term. We will provide you notice of any increase in SaaS Fees no less than ninety (90) days prior to the commencement of the renewal term. You will then have until sixty (60) days prior to the termination of the current term to agree to a renewal of this Agreement at the prices contained in our notice, or as we may otherwise agree. Your right to access or use the Tyler Software and the SaaS Services will terminate at the end of this Agreement.

2. 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 E(2).

2.1 Failure to Pay SaaS Fees. You acknowledge that continued access to the SaaS Services is contingent upon your timely payment of SaaS Fees. If you fail to timely pay the SaaS Fees, we may discontinue the SaaS Services and deny your access to the Tyler Software. We may also terminate this Agreement if you don't cure such failure to pay within forty-five (45) days of receiving written notice of our intent to terminate.

2.2 For Cause. If you believe we have materially breached this Agreement, you will invoke the Dispute Resolution clause set forth in Section H(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 H(3).

2.3 Force Majeure. Either party has the right to terminate this Agreement if a Force Majeure event suspends performance of the SaaS Services for a period of forty-five (45) days or more.

2.4 Lack of Appropriations. If you should not appropriate or otherwise make available funds sufficient to utilize the SaaS Services, 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, but unused SaaS Fees. You agree not to use termination for lack of appropriations as a substitute for termination for convenience.

2.5 Fees for Termination without Cause during Initial Term. Client hereby acknowledges that we have invested time and personnel in the development of the software being licensed to the Client. Therefore, termination of this Agreement without cause during the initial term will result in a financial hardship to us. If you terminate this Agreement during the initial term for any reason other than cause, Force Majeure, or lack of appropriations, or if we terminate this Agreement during the initial term for your failure to pay SaaS Fees, you shall pay us the following early termination fees:

- a. if you terminate during the first year of the initial term, 100% of the SaaS Fees through the date of termination plus 25% of the SaaS Fees then due for the remainder of the initial term;

- b. if you terminate during the second year of the initial term, 100% of the SaaS Fees through the date of termination plus 15% of the SaaS Fees then due for the remainder of the initial term; and
- c. if you terminate after the second year of the initial term, 100% of the SaaS Fees through the date of termination plus 10% of the SaaS Fees then due for the remainder of the initial term.

## **SECTION G – 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 G(1) will not apply to the extent the claim or adverse final judgment is based on your use of the Tyler Software in contradiction of this Agreement, including with non-licensed third parties, or your willful infringement.
- 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; or (c) replace it with a functional equivalent.

### **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) DURING THE INITIAL TERM, AS SET FORTH IN SECTION F(1), TOTAL FEES PAID AS OF THE TIME OF THE CLAIM; OR (B) DURING ANY RENEWAL TERM, THE THEN-CURRENT ANNUAL SAAS FEES PAYABLE IN THAT RENEWAL TERM. 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 G(1) AND G(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 per occurrence and \$2,000,000 in the aggregate; (b) Automobile Liability of at least \$1,000,000; (c) Cyber/Privacy 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 agree to secure our insurance from a carrier with a minimum AM Best rating of A:VII. 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 execution of this Agreement and renewal of policies. Certificate holder information for the certificate of insurance shall be as follows and include a description of the project:

City of El Cajon,  
Attn: Purchasing Division  
200 Civic Center Way  
El Cajon, CA 92020.

## SECTION H – 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 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, 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 recruitment, hiring, 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. We may only identify you in



marketing presentations and promotional materials with your advance written consent.

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. Contract Documents. This Agreement includes the following exhibits:

Exhibit A	Investment Summary
Exhibit B	Invoicing and Payment Policy Schedule 1: Business Travel Policy
Exhibit C	Service Level Agreement







**Exhibit A**  
**Investment Summary**

The following Investment Summary details the software 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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Quoted By: Kyle M. Johnson  
 Date: 10/14/2020  
 Quote Expiration: 6/30/2021  
 Quote Name: City of El Cajon-ERP-Munis  
 Quote Number: 2019-99665-4  
 Quote Description: 8-21-20 City of El Cajon v.3 5yr SaaS (.5 Years)

**Sales Quotation For**

City of El Cajon  
 200 Civic Center Way  
 El Cajon, CA 92020-3996  
 Phone +1 (619) 441-1716

Description	# Years	Annual Fee	One Time Fees		
			Impl. Hours	Impl. Cost	Data Conversion
<b>Financial:</b>					
Accounting/GL	0.5	\$47,486.00	0	\$0.00	\$0.00
Accounts Payable	0.5	\$13,660.00	0	\$0.00	\$0.00
Budgeting	0.5	\$13,660.00	0	\$0.00	\$0.00
Capital Assets	0.5	\$12,522.00	0	\$0.00	\$0.00
Cash Management	0.5	\$9,366.00	0	\$0.00	\$0.00
Contract Management	0.5	\$5,773.00	0	\$0.00	\$0.00
Project & Grant Accounting	0.5	\$9,702.00	0	\$0.00	\$0.00
Purchasing	0.5	\$21,855.00	0	\$0.00	\$0.00
<b>Human Capital Management:</b>					
Human Resources & Talent Management	0.5	\$6,843.00	0	\$0.00	\$0.00
Payroll w/ESS	0.5	\$8,475.00	0	\$0.00	\$0.00
<b>Revenue:</b>					
Accounts Receivable	0.5	\$10,969.00	0	\$0.00	\$0.00
Central Property File	0.5	\$1,547.00	0	\$0.00	\$0.00
General Billing	0.5	\$6,440.00	0	\$0.00	\$0.00
Tyler Cashiering	0.5	\$18,021.00	0	\$0.00	\$0.00
UB Interface	0.5	\$4,939.00	0	\$0.00	\$0.00

SaaS			One Time Fees		
Description	# Years	Annual Fee	Impl. Hours	Impl. Cost	Data Conversion
Utility Billing CIS	0.5	\$19,397.00	0	\$0.00	\$0.00
<b>Productivity:</b>					
Citizen Self Service	0.5	\$10,969.00	0	\$0.00	\$0.00
eProcurement	0.5	\$9,006.00	0	\$0.00	\$0.00
Munis Analytics & Reporting (SaaS)	0.5	\$15,503.00	0	\$0.00	\$0.00
Tyler Content Manager SE	0.5	\$17,049.00	0	\$0.00	\$0.00
Tyler ReadyForms Processing (including Common Form Set)	0.5	\$8,877.00	0	\$0.00	\$0.00
<b>Additional:</b>					
CAFR Statement Builder	0.5	\$9,061.00	0	\$0.00	\$0.00
		Sub-Total:		\$281,120.00	\$0.00
		<u>Less Discount:</u>		<u>\$39,358.00</u>	<u>\$0.00</u>
		<b>TOTAL:</b>	<b>0</b>	<b>\$0.00</b>	<b>\$0.00</b>

Summary	One Time Fees	Recurring Fees
Total Tyler Software	\$0.00	\$0.00
Total SaaS	\$0.00	\$241,762.00
Total Tyler Services	\$0.00	\$0.00
Total 3rd Party Hardware, Software and Services	\$0.00	\$0.00
<b>Summary Total</b>	<b>\$0.00</b>	<b>\$120,881.00</b>
<b>Contract Total</b>	<b>\$120,881.00</b>	

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.

Customer Approval: \_\_\_\_\_ Date: \_\_\_\_\_  
 Print Name: \_\_\_\_\_ P.O. #: \_\_\_\_\_

All primary values quoted in US Dollars

## Comments

Tyler recommends the use of a 128-bit SSL Security Certificate for any Internet Web Applications, such as the Munis Web Client and the MUNIS Self Service applications if hosted by the Client. This certificate is required to encrypt the highly sensitive payroll and financial information as it travels across the public internet. There are various vendors who sell SSL Certificates, with all ranges of prices.

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.

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

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.

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.

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

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.

Tyler Content Manager SE includes up to 1TB of storage. Should additional storage be needed it may be purchased as needed at an annual fee of \$5,000 per TB.

## Comments

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

Utility billing library includes: 1 Utility bill, 1 UB receipt, 1 UB delinquent notice, 1 door hanger and 1 final utility bill.

The Munis SaaS fees are based on 100 concurrent users. Should the number of concurrent users be exceeded, Tyler reserves the right to re-negotiate the SaaS fees based upon any resulting changes in the pricing categories.

Utility Billing CIS includes the Graphing Agent.

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.



Quoted By: Kyle M. Johnson  
 Date: 8/25/2020  
 Quote Expiration: 6/20/2020  
 Quote Name: City of El Cajon-ERP-Munis  
 Quote Number: 2019-99665-3  
 Quote Description: 8-21-20 City of El Cajon v.3 5yr SaaS

**Sales Quotation For**

City of El Cajon  
 200 Civic Center Way  
 El Cajon, CA 92020-3996  
 Phone +1 (619) 441-1716

Description	# Years	Annual Fee	One Time Fees		
			Impl. Hours	Impl. Cost	Data Conversion
<b>SaaS</b>					
<b>Financial:</b>					
Accounting/GL	5.0	\$47,486.00	160	\$28,000.00	\$15,300.00
Accounts Payable	5.0	\$13,660.00	48	\$8,400.00	\$0.00
Budgeting	5.0	\$13,660.00	64	\$11,200.00	\$0.00
Capital Assets	5.0	\$12,522.00	64	\$11,200.00	\$3,500.00
Cash Management	5.0	\$9,366.00	40	\$7,000.00	\$0.00
Contract Management	5.0	\$5,773.00	32	\$5,600.00	\$5,000.00
Project & Grant Accounting	5.0	\$9,702.00	48	\$8,400.00	\$5,000.00
Purchasing	5.0	\$21,855.00	144	\$25,200.00	\$3,000.00
<b>Human Capital Management:</b>					
Human Resources & Talent Management	5.0	\$6,843.00	88	\$15,400.00	\$1,400.00
Payroll w/ESS	5.0	\$8,475.00	168	\$29,400.00	\$10,400.00
<b>Revenue:</b>					
Accounts Receivable	5.0	\$10,969.00	104	\$18,200.00	\$0.00
Central Property File	5.0	\$1,547.00	8	\$1,400.00	\$0.00
General Billing	5.0	\$6,440.00	56	\$9,800.00	\$1,800.00
Tyler Cashiering	5.0	\$18,021.00	56	\$9,800.00	\$0.00
UB Interface	5.0	\$4,939.00	32	\$5,600.00	\$0.00



**SaaS**

Description	# Years	Annual Fee	One Time Fees		
			Impl. Hours	Impl. Cost	Data Conversion
Utility Billing CIS	5.0	\$19,397.00	168	\$29,400.00	\$32,900.00

**Productivity:**

Citizen Self Service	5.0	\$10,969.00	80	\$14,000.00	\$0.00
eProcurement	5.0	\$9,006.00	40	\$7,000.00	\$0.00
Munis Analytics & Reporting (SaaS)	5.0	\$15,503.00	104	\$18,200.00	\$0.00
Tyler Content Manager SE	5.0	\$17,049.00	64	\$11,200.00	\$0.00
Tyler ReadyForms Processing (including Common Form Set)	5.0	\$8,877.00	0	\$0.00	\$0.00

**Additional:**

CAFR Statement Builder	5.0	\$9,061.00	32	\$5,600.00	\$0.00
		<b>Sub-Total:</b>		\$280,000.00	\$78,300.00
		<b><u>Less Discount:</u></b>		<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
		<b>TOTAL:</b>	<b>1600</b>	<b>\$280,000.00</b>	<b>\$78,300.00</b>

**Other Services**

Description	Quantity	Unit Price	Unit Discount	Extended Price
Additional Project Manager Hours	344	\$175.00	\$0.00	\$60,200.00
Project Planning Services	1	\$9,000.00	\$0.00	\$9,000.00
Tyler ReadyForms Processing Configuration	1	\$2,000.00	\$0.00	\$2,000.00
VPN Device	1	\$4,000.00	\$0.00	\$4,000.00
<b>TOTAL:</b>				<b>\$75,200.00</b>

**3rd Party Hardware, Software and Services**

Description	Quantity	Unit Price	Unit Discount	Total Price	Unit Maintenance	Unit Maintenance Discount	Total Year One Maintenance
Cash Drawer	1	\$260.00	\$0.00	\$260.00	\$0.00	\$0.00	\$0.00
Hand Held Scanner - Model 1950GSR	1	\$450.00	\$0.00	\$450.00	\$0.00	\$0.00	\$0.00
Hand Held Scanner Stand	1	\$30.00	\$0.00	\$30.00	\$0.00	\$0.00	\$0.00
ID Tech MiniMag USB Reader	1	\$62.00	\$0.00	\$62.00	\$0.00	\$0.00	\$0.00
KOA Hills Data Migration Leadership (Financials & HCM)	1	\$50,000.00	\$0.00	\$50,000.00	\$0.00	\$0.00	\$0.00
Printer (TM-S9000)	1	\$1,623.00	\$0.00	\$1,623.00	\$0.00	\$0.00	\$0.00

**3rd Party Hardware, Software and Services**

Description	Quantity	Unit Price	Unit Discount	Total Price	Unit Maintenance	Unit Maintenance Discount	Total Year One Maintenance
Tyler Secure Signature System with 2 Keys	1	\$1,650.00	\$0.00	\$1,650.00	\$0.00	\$0.00	\$0.00
<i>3rd Party Hardware Sub-Total:</i>			<i>\$0.00</i>	<i>\$4,075.00</i>			<i>\$0.00</i>
<i>3rd Party Services Sub-Total:</i>			<i>\$0.00</i>	<i>\$50,000.00</i>			<i>\$0.00</i>
<b>TOTAL:</b>				<b>\$54,075.00</b>			<b>\$0.00</b>

<b>Summary</b>	<b>One Time Fees</b>	<b>Recurring Fees</b>
Total Tyler Software	\$0.00	\$0.00
Total SaaS	\$0.00	\$241,762.00
Total Tyler Services	\$433,500.00	\$0.00
Total 3rd Party Hardware, Software and Services	\$54,075.00	\$0.00
<b>Summary Total</b>	<b>\$487,575.00</b>	<b>\$241,762.00</b>
<b>Contract Total (Excluding Estimated Travel Expenses)</b>	<b>\$1,696,385.00</b>	
<b>Estimated Travel Expenses</b>	<b>\$50,000.00</b>	

**Detailed Breakdown of Conversions (included in Contract Total)**

Description	Unit Price	Unit Discount	Extended Price
Accounting - Actuals up to 3 years	\$1,500.00	\$0.00	\$1,500.00
Accounting - Budgets up to 3 years	\$1,500.00	\$0.00	\$1,500.00
Accounting Standard COA	\$2,000.00	\$0.00	\$2,000.00
Accounts Payable - Checks up to 5 years	\$3,500.00	\$0.00	\$3,500.00
Accounts Payable - Invoice up to 5 years	\$5,000.00	\$0.00	\$5,000.00
Accounts Payable Standard Master	\$1,800.00	\$0.00	\$1,800.00
Capital Assets Std Master	\$3,500.00	\$0.00	\$3,500.00
Contracts	\$5,000.00	\$0.00	\$5,000.00
General Billing Std CID	\$1,800.00	\$0.00	\$1,800.00
Human Resources - PM Action History up to 5 years	\$1,400.00	\$0.00	\$1,400.00
Payroll - Accrual Balances	\$1,500.00	\$0.00	\$1,500.00
Payroll - Accumulators up to 5 years	\$1,400.00	\$0.00	\$1,400.00
Payroll - Check History up to 5 years	\$1,200.00	\$0.00	\$1,200.00
Payroll - Deductions	\$1,800.00	\$0.00	\$1,800.00
Payroll - Earning/Deduction Hist up to 5 years	\$2,500.00	\$0.00	\$2,500.00
Payroll - Standard	\$2,000.00	\$0.00	\$2,000.00
Project Grant Accounting - Actuals up to 3 years	\$1,500.00	\$0.00	\$1,500.00
Project Grant Accounting - Budgets up to 3 years	\$1,500.00	\$0.00	\$1,500.00
Project Grant Accounting Standard	\$2,000.00	\$0.00	\$2,000.00
Purchasing - Purchase Orders - Standard Open PO's only	\$3,000.00	\$0.00	\$3,000.00
Utility Billing - Assessments	\$1,800.00	\$0.00	\$1,800.00
Utility Billing - Backflow	\$2,000.00	\$0.00	\$2,000.00
Utility Billing - Balance Forward AR	\$6,100.00	\$0.00	\$6,100.00
Utility Billing - Budget Billing	\$4,100.00	\$0.00	\$4,100.00
Utility Billing - Consumption History up to 5 years	\$3,000.00	\$0.00	\$3,000.00
Utility Billing - Flat Inventory/Containers	\$4,100.00	\$0.00	\$4,100.00
Utility Billing - Service Orders	\$3,100.00	\$0.00	\$3,100.00
Utility Billing - Services	\$4,100.00	\$0.00	\$4,100.00
Utility Billing - Standard	\$4,600.00	\$0.00	\$4,600.00
<b>TOTAL:</b>			<b>\$78,300.00</b>

Optional SaaS			One Time Fees		
Description	# Years	Annual Fee	Impl. Hours	Impl. Cost	Data Conversion
<b>Financial:</b>					
Employee Expense Reimbursement	5.0	\$5,316.00	56	\$9,800.00	\$0.00
Inventory	5.0	\$12,162.00	64	\$11,200.00	\$3,800.00
<b>TOTAL:</b>		<b>\$17,478.00</b>	<b>120</b>	<b>\$21,000.00</b>	<b>\$3,800.00</b>

**Optional Tyler Software & Related Services**

Description	License	Impl. Hours	Impl. Cost	Data Conversion	Module Total	Year One Maintenance
<b>Additional:</b>						
Asset Maintenance - Work Order History With Cost Data - E	\$0.00	0	\$0.00	\$5,500.00	\$5,500.00	\$0.00
Human Resources - Certifications - B	\$0.00	0	\$0.00	\$1,400.00	\$1,400.00	\$0.00
Human Resources - Education - B	\$0.00	0	\$0.00	\$1,400.00	\$1,400.00	\$0.00
Human Resources - Position Control - B	\$0.00	0	\$0.00	\$1,400.00	\$1,400.00	\$0.00
Payroll - State Retirement Tables - B	\$0.00	0	\$0.00	\$1,400.00	\$1,400.00	\$0.00
<b>TOTAL:</b>	<b>\$0.00</b>	<b>0</b>	<b>\$0.00</b>	<b>\$11,100.00</b>	<b>\$11,100.00</b>	<b>\$0.00</b>

**Optional Conversion Details (Prices Reflected Above)**

Description	Unit Price	Unit Discount	Extended Price
Asset Maintenance - Work Order History With Cost Data	\$5,500.00	\$0.00	\$5,500.00
Human Resources - Certifications	\$1,400.00	\$0.00	\$1,400.00
Human Resources - Education	\$1,400.00	\$0.00	\$1,400.00
Human Resources - Position Control	\$1,400.00	\$0.00	\$1,400.00
Inventory Std Master	\$3,800.00	\$0.00	\$3,800.00
Payroll - State Retirement Tables	\$1,400.00	\$0.00	\$1,400.00
<b>TOTAL:</b>			<b>\$14,900.00</b>

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.

Customer Approval:

Date:

Print Name:

P.O. #:

All primary values quoted in US Dollars

## Comments

Tyler recommends the use of a 128-bit SSL Security Certificate for any Internet Web Applications, such as the Munis Web Client and the MUNIS Self Service applications if hosted by the Client. This certificate is required to encrypt the highly sensitive payroll and financial information as it travels across the public internet. There are various vendors who sell SSL Certificates, with all ranges of prices.

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.

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

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.

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.

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.

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

**Comments**

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.

Tyler Content Manager SE includes up to 1TB of storage. Should additional storage be needed it may be purchased as needed at an annual fee of \$5,000 per TB.

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

Utility billing library includes: 1 Utility bill, 1 UB receipt, 1 UB delinquent notice, 1 door hanger and 1 final utility bill.

The Munis SaaS fees are based on 100 concurrent users. Should the number of concurrent users be exceeded, Tyler reserves the right to re-negotiate the SaaS fees based upon any resulting changes in the pricing categories.

Utility Billing CIS includes the Graphing Agent.

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.



## Exhibit B Invoicing and Payment Policy

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

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

1. **SaaS Fees.** SaaS Fees for the initial term as set forth in Section F (1) of the Agreement are invoiced on an annual basis, beginning on the commencement of the initial term as set forth in Section F (1) of this Agreement. The initial invoice shall be prorated for a period commencing on January 1, 2021 and ending June 30, 2021. SaaS Fees for the prorated invoice are set forth in the Investment Summary attached as Exhibit A, Schedule 1. Annual SaaS fees for the remainder of the initial term are set forth in the Investment Summary attached as Exhibit A, Schedule 2. Annual SaaS Fees will be invoiced on July 1, 2021 and each July 1 thereafter. Upon expiration of the initial term, your annual SaaS fees will be at our then-current rates. a
2. **Other Tyler Software and Services.**
  - 2.1 ***Project Planning Services:*** Project planning services are invoiced upon delivery of the implementation planning document.
  - 2.2 ***VPN Device:*** The fee for the VPN device will be invoiced upon installation of the VPN.
  - 2.3 ***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.
  - 2.4 ***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 your acceptance of the Best Practice Recommendations, by module, and 50% upon your acceptance 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.
  - 2.5 ***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.



2.6 *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 this Agreement.

2.7 *Other Fixed Price Services*: Other fixed price services are invoiced upon complete delivery of the service. For the avoidance of doubt, where “Project Planning Services” are provided, payment will be due upon delivery of the Implementation Planning document. Dedicated Project Management services, if any, will be billed monthly in arrears, beginning on the first day of the month immediately following the project kick-off meeting.

2.8 *Change Management Services*: If you have purchased any change management services, those services will be invoiced in the following amounts and upon the following milestones:

Acceptance of Change Management Discovery Analysis	15%
Delivery of Change Management Plan and Strategy Presentation	10%
Acceptance of Executive Playbook	15%
Acceptance of Resistance Management Plan	15%
Acceptance of Procedural Change Communications Plan	10%
Change Management Coach Training	20%
Change Management After-Action Review	15%

### 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 first year maintenance for the Third Party Software is invoiced when we make it available to you for downloading.

3.3 *Third Party Hardware*: Third Party Hardware costs, if any, are invoiced upon delivery.

4. Expenses. The service rates in the Investment Summary do not include travel expenses. Expenses 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. Except as provided below, copies of receipts will be provided with each invoice. Receipts for miscellaneous items less than twenty-five dollars and mileage logs are not available.

**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](mailto:AR@tylertech.com).



**Exhibit B  
Schedule 1  
Business Travel Policy**

1. Air Travel

A. Reservations & Tickets

Tyler's Travel Management Company (TMC) 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](http://www.gsa.gov/perdiem).

Per diem for Alaska, Hawaii, U.S. protectorates and international destinations are provided separately by the Department of Defense 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

### SERVICE LEVEL AGREEMENT

#### I. Agreement Overview

This SLA operates in conjunction with, and does not supersede or replace any part of, the Agreement. It outlines the information technology service levels that we will provide to you to ensure the availability of the application services that you have requested us to provide. All other support services are documented in the Support Call Process.

**II. Definitions.** Except as defined below, all defined terms have the meaning set forth in the Agreement.

*Attainment:* The percentage of time the Tyler Software is available during a calendar quarter, with percentages rounded to the nearest whole number.

*Client Error Incident:* Any service unavailability resulting from your applications, content or equipment, or the acts or omissions of any of your service users or third-party providers over whom we exercise no control.

*Downtime:* Those minutes during which the Tyler Software is not available for your use. Downtime does not include those instances in which only a Defect is present.

*Service Availability:* The total number of minutes in a calendar quarter that the Tyler Software is capable of receiving, processing, and responding to requests, excluding maintenance windows, Client Error Incidents and Force Majeure.

#### III. Service Availability

The Service Availability of the Tyler Software is intended to be 24/7/365. We set Service Availability goals and measures whether we have met those goals by tracking Attainment.

##### a. Your Responsibilities

Whenever you experience Downtime, you must make a support call according to the procedures outlined in the Support Call Process. You will receive a support incident number.

You must document, in writing, all Downtime that you have experienced during a calendar quarter. You must deliver such documentation to us within 30 days of a quarter's end.

The documentation you provide must evidence the Downtime clearly and convincingly. It must include, for example, the support incident number(s) and the date, time and duration of the Downtime(s).

##### b. Our Responsibilities

When our support team receives a call from you that Downtime has occurred or is occurring, we will work with you to identify the cause of the Downtime (including whether it may be the result of a Client Error

Incident or Force Majeure). We will also work with you to resume normal operations.

Upon timely receipt of your Downtime report, we will compare that report to our own outage logs and support tickets to confirm that Downtime for which we were responsible indeed occurred.

We will respond to your Downtime report within 30 day(s) of receipt. To the extent we have confirmed Downtime for which we are responsible, we will provide you with the relief set forth below.

c. Client Relief

When a Service Availability goal is not met due to confirmed Downtime, we will provide you with relief that corresponds to the percentage amount by which that goal was not achieved, as set forth in the Client Relief Schedule below.

Notwithstanding the above, the total amount of all relief that would be due under this SLA per quarter will not exceed 5% of one quarter of the then-current SaaS Fee. The total credits confirmed by us in one or more quarters of a billing cycle will be applied to the SaaS Fee for the next billing cycle. Issuing of such credit does not relieve us of our obligations under the Agreement to correct the problem which created the service interruption.

Every quarter, we will compare confirmed Downtime to Service Availability. In the event actual Attainment does not meet the targeted Attainment, the following Client relief will apply, on a quarterly basis:

Targeted Attainment	Actual Attainment	Client Relief
100%	98-99%	Remedial action will be taken.
100%	95-97%	4% credit of fee for affected calendar quarter will be posted to next billing cycle
100%	<95%	5% credit of fee for affected calendar quarter will be posted to next billing cycle

You may request a report from us that documents the preceding quarter’s Service Availability, Downtime, any remedial actions that have been/will be taken, and any credits that may be issued.

**IV. Applicability**

The commitments set forth in this SLA do not apply during maintenance windows, Client Error Incidents, and Force Majeure.

We perform maintenance during limited windows that are historically known to be reliably low-traffic times. If and when maintenance is predicted to occur during periods of higher traffic, we will provide advance notice of those windows and will coordinate to the greatest extent possible with you.

**V. Force Majeure**

You will not hold us responsible for not meeting service levels outlined in this SLA to the extent any failure to do so is caused by Force Majeure. In the event of Force Majeure, we will file with you a signed request that said failure be excused. That writing will at least include the essential details and circumstances supporting our request for relief pursuant to this Section. You will not unreasonably withhold its acceptance of such a request.



## Exhibit C Schedule 1 Support Call Process

### Support Channels

Tyler Technologies, Inc. provides the following channels of software support:

- (1) Tyler Community – an on-line resource, 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.
- (2) On-line submission (portal) – for less urgent and functionality-based questions, users may create unlimited support incidents through the customer relationship management portal available at the Tyler Technologies website.
- (3) Email – for less urgent situations, users may submit unlimited emails directly to the software support group.
- (4) Telephone – for urgent or complex questions, users receive toll-free, unlimited telephone software support.

### Support Resources

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

- (1) Tyler Website – [www.tylertech.com](http://www.tylertech.com) – for accessing client tools and other information including support contact information.
- (2) Tyler Community – available through login, Tyler Community provides a venue for clients to support one another and share best practices and resources.
- (3) Knowledgebase – A fully searchable depository of thousands of documents related to procedures, best practices, release information, and job aides.
- (4) Program Updates – where development activity is made available for client consumption

### 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). Clients may receive coverage across these time zones. 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	

### Issue Handling

#### Incident Tracking

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



### Incident Priority

Each incident is assigned a priority number, which corresponds to the client’s needs and deadlines. The client is responsible for reasonably setting 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 responses and resolutions.

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 support incident. 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.
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 support incident. 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 support incident. 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. 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. Tyler shall use commercially reasonable efforts to resolve such support incidents, as well as cosmetic issues, with a future version release.

### *Incident Escalation*

Tyler Technology's software support consists of four levels of personnel:

- (1) Level 1: front-line representatives
- (2) Level 2: more senior in their support role, they assist front-line representatives and take on escalated issues
- (3) Level 3: assist in incident escalations and specialized client issues
- (4) Level 4: responsible for the management of support teams for either a single product or a product group

If a client feels they are not receiving the service needed, they may contact the appropriate Software Support Manager. After receiving the incident tracking number, the manager will follow up on the open issue and determine the necessary action to meet the client's needs.

On occasion, the priority or immediacy of a software support incident may change after initiation. Tyler encourages clients to communicate the level of urgency or priority of software support issues so that we can respond appropriately. A software support incident can be escalated by any of the following methods:

- (1) Telephone – for immediate response, call toll-free to either escalate an incident's priority or to escalate an issue through management channels as described above.
- (2) Email – clients can send an email to software support in order to escalate the priority of an issue
- (3) On-line Support Incident Portal – clients can also escalate the priority of an issue by logging into the client incident portal and referencing the appropriate incident tracking number.

### *Remote Support Tool*

Some support calls require further analysis of the client's database, process or setup to diagnose a problem or to assist with a question. Tyler will, at its discretion, use an industry-standard remote support tool. Support is able to quickly connect to the client's desktop 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**  
**DocOrigin End User License Agreement**

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8.4 **Governing Law and Venue if You are located in the USA.** This Agreement shall be governed by the laws of the State of Texas if You are located in the USA. No choice of laws rules of any jurisdiction shall apply to this Agreement. You consent and agree that the courts of the State of Texas shall have jurisdiction over any legal action or proceeding brought by You arising out of or relating to this Agreement, and You consent to the jurisdiction of such courts for any such action or proceeding.

8.5 **Governing Law and Venue if You are not located in the USA.** This Agreement shall be governed by the laws of the Province of Ontario in Canada if You are not located in the USA . No choice of laws rules of any jurisdiction shall apply to this Agreement. You consent and agree that the courts of the Province of Ontario in Canada shall have jurisdiction over any legal action or proceeding brought by You arising out of or relating to this Agreement, and You consent to the jurisdiction of such courts for any such action or proceeding.

8.6 **Entire Agreement.** This Agreement is the entire understanding and agreement between You and Eclipse Corporation with respect to the subject matter hereof, and it supersedes all prior negotiations, commitments and understandings, verbal or written, and purchase order issued by You. This Agreement may be amended or otherwise modified by Eclipse Corporation from time to time and the most recent version of the Agreement will be available on the Eclipse Corporation website [www.docorigin.com](http://www.docorigin.com).

Last Updated: July 22, 2017



## Exhibit E

# Statement of Work

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*Tyler Technologies*

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# 1. Executive Summary

## 1.1 Project Overview

The Statement of Work (SOW) documents the Project Scope, methodology, roles and responsibilities, implementation Stages, and deliverables for the implementation of Tyler products.

The Project goals are to offer City of El Cajon, CA the opportunity to make the El Cajon, CA more accessible and responsive to external and internal customer needs and more efficient in its operations through:

- Streamlining, automating, and integrating business processes and practices
- Providing tools to produce and access information in a real-time environment
- Enabling and empowering users to become more efficient, productive and responsive
- Successfully overcoming current challenges and meeting future goals

## 1.2 Product Summary

Below, is a summary of the products included in this Project, as well as reference to the El Cajon, CA's functional area utilizing the Tyler product(s). Refer to the Implementation Stages section of this SOW for information containing detailed service components.

Phase	Functional Areas	Modules	Start Date	Go-Live Date
1a	<b>Chart of Accounts &amp; Budget</b>	<ul style="list-style-type: none"> <li>• Accounting General Ledger (Chart of Accounts)</li> <li>• Budgeting (loading budget)</li> </ul>	01/2021	05/2021
	<b>System Wide</b>	<ul style="list-style-type: none"> <li>• Munis Analytics &amp; Reporting               <ul style="list-style-type: none"> <li>○ Tyler Reporting Services</li> <li>○ Munis Office</li> <li>○ HUB</li> </ul> </li> <li>• Tyler ReadyForms Processing</li> <li>• Tyler Content Manager SE</li> </ul>		
1b	<b>Utility Billing</b>	<ul style="list-style-type: none"> <li>• Utility Billing CIS</li> <li>• UB Interface</li> <li>• Citizen Self Service</li> <li>• Central Property File</li> <li>• Accounts Receivable</li> <li>• General Billing</li> <li>• Tyler Cashiering</li> </ul>	04/2021	04/2022
2	<b>Financials</b>	<ul style="list-style-type: none"> <li>• Accounts Payable</li> <li>• Budgeting</li> <li>• Capital Assets</li> </ul>	06/2021	07/2022

Phase	Functional Areas	Modules	Start Date	Go-Live Date
		<ul style="list-style-type: none"> <li>• Cash Management</li> <li>• Contract Management</li> <li>• General Ledger</li> <li>• Project &amp; Grant Accounting</li> <li>• Purchasing</li> <li>• eProcurement</li> <li>• CAFR Statement Builder (post-live)</li> </ul>		
3	<b>Human Capital Management</b>	<ul style="list-style-type: none"> <li>• Payroll with ESS</li> <li>• Human Resources and Talent Management</li> </ul>	01/2022	01/2023

### 1.3 Project Timeline

The Project Timeline establishes a start and end date for each Phase of the Project. Developed during the Initiate & Plan Stage and revised as mutually agreed to, if needed, the timeline accounts for resource availability, business goals, size and complexity of the Project, and task duration requirements.

### 1.4 Project Methodology Overview

Tyler bases its implementation methodology on the Project Management Institute's (PMI) Process Groups (Initiating, Planning, Executing, Monitoring & Controlling, and Closing). Using this model, Tyler developed a 6-stage process specifically designed to focus on critical project success measurement factors.

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 El Cajon, CA's complexity, and organizational needs.

## 2. Project Governance

The purpose of this section is to define the resources required to adequately establish 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 also defines the structure for issue escalation and resolution, Change Control review and authority, and organizational Change Management activities.

The preliminary governance structure establishes a clear escalation path when issues and risks require escalation above the project manager level. Further refinement of the governance structure, related processes, and specific roles and responsibilities occurs during the Initiate & Plan Stage.

The path below illustrates an overall team perspective where Tyler and the El Cajon, CA collaborate to resolve project challenges according to defined escalation paths. In the event project managers do not possess authority to determine a solution, resolve an issue, or mitigate a risk, Tyler implementation management and the El Cajon, CA steering committee become the escalation points to triage responses prior to escalation to the El Cajon, CA 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. The El Cajon, CA and Tyler executive sponsors serve as the final escalation point.

### 2.1 Client Governance

Depending on the El Cajon, CA's organizational structure and size, the following governance roles may be filled by one or more people:

#### 2.1.1 Client Project Manager

The El Cajon, CA's project manager(s) coordinate project team members, subject matter experts, and the overall implementation schedule and serves as the primary point of contact with Tyler. The El Cajon, CA project manager(s) will be responsible for reporting to the El Cajon, CA steering committee and determining appropriate escalation points.

#### 2.1.2 Steering Committee

The El Cajon, CA steering committee understands and supports the cultural change necessary for the Project and fosters an appreciation of the Project's value throughout the organization. Oversees the El Cajon, CA project manager(s) and the Project and through participation in regular internal meetings, the El Cajon, CA steering committee remains updated on all project progress, project decisions, and achievement of project milestones. The El Cajon, CA steering committee also provides support to the El Cajon, CA project manager(s) by communicating the importance of the Project to all impacted departments. The El Cajon, CA steering committee is responsible for ensuring the Project has appropriate resources, provides strategic direction to the project team, for making timely decisions on critical project issues or policy decisions. The El Cajon, CA steering committee also serves as primary level of issue resolution for the Project.



### 2.1.3 Executive Sponsor(s)

The El Cajon, CA's executive sponsor provides support to the Project by allocating resources, providing strategic direction, and communicating key issues about the Project and the Project's 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 El Cajon, CA steering committee, project manager(s), and functional leads to make critical business decisions for the El Cajon, CA.

## 2.2 Tyler Governance

### 2.2.1 Tyler Project Manager

The Tyler project manager(s) have direct involvement with the Project and coordinates Tyler project team members, subject matter experts, the overall implementation schedule, and serves as the primary point of contact with the El Cajon, CA. As requested by the El Cajon, CA, the Tyler project manager(s) provide regular updates to the El Cajon, CA's steering committee and other Tyler governance members.

### 2.2.2 Tyler Implementation Management

Tyler implementation management has indirect involvement with the Project and is part of the Tyler escalation process. Tyler project manager(s) consult implementation management on issues and outstanding decisions critical to the Project. Implementation management works toward a solution with the Tyler project manager(s) or with the El Cajon, CA management, as appropriate. Tyler executive management is the escalation point for any issues not resolved at this level. The name(s) and contact information for this resource will be provided and available to the project team.

### 2.2.3 Tyler Executive Management

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. The name(s) and contact information for this resource will be provided and available to the project team.

## 2.3 Acceptance and Acknowledgment Process

All Deliverables and Control Points must be accepted or acknowledged following the process below. Acceptance requires a formal sign-off while acknowledgement may be provided without formal sign-off at the time of delivery. The following process will be used for accepting or acknowledging Deliverables and Control Points:

- The El Cajon, CA shall have ten (10) business days from the date of delivery, or as otherwise mutually agreed upon by the parties in writing, to accept or acknowledge each Deliverable or Control Point. If the El Cajon, CA 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 El Cajon, CA does not agree the particular Deliverable or Control Point meets requirements, the El Cajon, CA shall notify Tyler project manager(s), in writing, with reasoning within ten (10) 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 El Cajon, CA 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 El Cajon, CA does not provide acceptance or acknowledgement 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.

## 3. Overall Project Assumptions

### 3.1 Project, Resources and Scheduling

- Project activities will begin after the Agreement has been fully executed.
- The El Cajon, CA has the ability to allocate additional internal resources if needed. The El Cajon, CA also ensures the alignment of their budget and Scope expectations.
- The El Cajon, CA and Tyler ensure that the assigned resources are available, they buy-into the change process, and they 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, buy-in, and knowledge.
- Tyler and El Cajon, CA provide adequate resources to support the efforts to complete the Project as scheduled and within the constraints of the Project budget.
- Abbreviated timelines and overlapped Phases can result in Project delays if there are not sufficient resources assigned to complete all required work as scheduled.
- Changes to Project Plan, availability of resources or changes in Scope may result in schedule delays, which may result in additional charges to the Project.
- Tyler provides a written agenda and notice of any prerequisites to the El Cajon, CA project manager(s) ten (10) business days prior to any scheduled on site or remote sessions.
- Tyler provides notice of any prerequisites to the El Cajon, CA project manager(s) a minimum of ten (10) business days prior to any key deliverable due dates.
- El Cajon, CA users complete prerequisites prior to applicable scheduled activities.
- Tyler provides guidance for configuration and processing options available within the Tyler software. The El Cajon, CA is responsible for making decisions based on the options available.
- In the event the El Cajon, CA may elect to add and/or modify current business policies during the course of this Project, such policy changes are solely the El Cajon, CA's responsibility to define, document, and implement.
- The El Cajon, CA makes timely Project related decisions in order to achieve scheduled due dates on tasks and prepare for subsequent training sessions. Decisions left unmade may affect the schedule, as each analysis and implementation session builds on the decisions made in prior sessions.
- Tyler considers additional services out of Scope and requires additional time and costs be requested via Change Request approved through the Change Control process.

- The El Cajon, CA will respond to information requests in a comprehensive and timely manner, in accordance with the Project Plan.

## 3.2 Data Conversion

- The El Cajon, CA is readily able to produce the data files needed for conversion from the Legacy System in order to provide them to Tyler on the specified due date(s).
- Each Legacy System data file submitted for conversion includes all associated records in a single approved file layout.
- The El Cajon, CA understands the Legacy System data extract(s) must be provided to Tyler in the same format each time 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.
- During this process, the El Cajon, CA may need to correct data scenarios in the Legacy System prior to the final data pull. This is a complex activity and requires due diligence by the El Cajon, CA to ensure all data pulled includes all required data and the Tyler system contains properly mapped data.

## 3.3 Data Exchanges, Modifications, Forms and Reports

- The El Cajon, CA ensures the 3rd party data received conforms to a Tyler standard format.
- The 3rd party possesses the knowledge of how to program their portion of the interaction and understands how to manipulate the data received.
- Client is on a supported, compatible version of the 3<sup>rd</sup> party software or Tyler standard Data Exchange tools may not be available.
- The El Cajon, CA is willing to make reasonable business process changes rather than expecting the product to conform to every aspect of their current system/process.
- Any Modification requests not expressly stated in the contract are out of Scope. Modifications requested after contract signing have the potential to change cost, Scope, schedule, and production dates for project Phases. Modification requests not in Scope must follow the Project Change Request process.

## 3.4 Hardware and Software

- Tyler will initially Install the most current generally available version of the purchased Tyler software.

- The El Cajon, CA will provide network access for Tyler modules, printers, and Internet access to all applicable El Cajon, CA and Tyler project staff.
- The El Cajon, CA has in place all hardware, software, and technical infrastructure necessary to support the Project.
- The El Cajon, CA's system hardware and software meet Tyler standards to ensure sufficient speed and operability of Tyler software. Tyler will not support use of software if the City of El Cajon, CA does not meet minimum standards of Tyler's published specifications.

### 3.5 Education

- Throughout the Project lifecycle, the El Cajon, CA provides a training room for Tyler staff to transfer knowledge to the El Cajon, CA's resources, for both onsite and remote sessions. The El Cajon, CA will provide staff with a location to practice what they have learned without distraction. If Phases overlap, the El Cajon, CA will provide multiple training facilities to allow for independent sessions scheduling without conflict.
- The training room is set up in a classroom setting. The El Cajon, CA determines the number of workstations in the room. Tyler recommends every person attending a scheduled session with a Tyler Consultant or Trainer have their own workstation. However, Tyler requires there be no more than two (2) people at a given workstation.
- The El Cajon, CA provides a workstation which connects to the Tyler system for the Tyler trainer conducting the session. The computer connects to a El Cajon, CA provided projector, allowing all attendees the ability to actively engage in the training session.
- The El Cajon, CA testing database contains the Tyler software version required for delivery of the Modification prior to the scheduled delivery date for testing.
- The El Cajon, CA is responsible for verifying the performance of the Modification as defined by the specification.
- Users performing user acceptance testing (UAT) have attended all applicable training sessions prior to performing UAT.

## 4. Implementation Stages

### 4.1 Work Breakdown Structure (WBS)

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 Plan, developed during Initiate & Plan and finalized during Assess & Define, will list 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.



\* - If included in project scope

## 1.1 Initiate & Plan (Stage 1)

The Initiate & Plan Stage creates a foundation for the Project through identification of El Cajon, CA and Tyler Project Management teams, development of implementation management plans, and the provision and discussion of system infrastructure requirements. El Cajon, CA participation in gathering information is critical. Tyler Project Management teams present initial plans to stakeholder teams at Stage end.

### 1.1.1 Tyler Internal Coordination & Planning

Prior to Project commencement, Tyler management staff assigns project manager(s). Tyler provides the El Cajon, CA with initial Project documents used in gathering basic information, which aids in preliminary planning and scheduling. El Cajon, CA participation in gathering requested information by provided deadlines ensures the Project moves 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 the El Cajon, CA’s team. During this step, Tyler will work with the El Cajon, CA to establish the date(s) for the Project/Phase Planning session.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 1	Tyler Internal Coordination & Planning																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Assign Tyler project manager	A	R	I						I			I								
Provide initial Project documents to Client	A	I	R						C			I								
Sales to Implementation knowledge transfer	A	I	R						C											
Internal planning and phase coordination		A	R					C												



### 1.1.2 System Infrastructure Planning

The El Cajon, CA provides, purchases or acquires hardware according to hardware specifications provided by Tyler and ensures it is available at the El Cajon, CA’s site. The El Cajon, CA completes the system infrastructure audit, ensuring vital system infrastructure information is available to the Tyler implementation team, and verifies all hardware compatibility with Tyler solutions.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 1	System Infrastructure Planning																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Provide system hardware specifications			I					R	A			I						C		
Make hardware available for Installation			I					R	A			I						C		
Install system hardware, if applicable			I					R	A			I						C		
Complete system infrastructure audit			I					C				A						R		

### 1.1.3 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. The Tyler project manager(s) deliver an Implementation Management Plan, which is mutually agreeable by El Cajon, CA and Tyler.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 1	Project/Phase Planning																			
	TYLER							CLIENT												
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Perform Project/Phase Planning		A	R								I	C	C			I				
Deliver implementation management plan		A	R									C	C	I						

### 1.1.4 Project Schedule

Client and Tyler will mutually develop an initial Project Schedule. The initial schedule includes, at minimum, enough detail to begin Project activities while the detailed Project Plan/schedule is being developed and refined.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 1	Project Schedule																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Develop initial Project Schedule		A	R	I								C	I	I						
Deliver Project Plan and schedule for Project Phase		A	R	I						I	I	C	C	I	I	I				
Client reviews Project Plan & initial schedule			C							I	A	R	C	C		C				
Client approves Project Plan & initial schedule			I							I	A	R	C	C	I	I		I	I	I

### 1.1.5 Stakeholder Presentation

El Cajon, CA stakeholders join Tyler project manager(s) to communicate successful Project criteria, Project goals, Deliverables, a high-level milestone schedule, and roles and responsibilities of Project participants.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 1	Stakeholder Presentation																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Present overview of Project Deliverables, Project Schedule and roles and responsibilities		A	R	I					I	I	I	C	I	I	I	I		I	I	I
Communicate successful Project criteria and goals			I							R	C	A	C	I	I	C	I	I		

## 1.1.6 Control Point 1: Initiate & Plan Stage Acceptance

Acceptance criteria for this Stage includes completion of all criteria listed below. Advancement to the Assess & Define Stage is dependent upon Tyler's receipt of the Stage Acceptance.

### 1.1.6.1 Initiate & Plan Stage Deliverables

- Implementation Management Plan
  - Objective: Update and deliver baseline management plans to reflect the approach to the El Cajon, CA's Project.
  - Scope: The Implementation Management addresses how communication, quality control, risks/issues, resources and schedules, and Software Upgrades (if applicable) will be managed throughout the lifecycle of the Project.
  - Acceptance criteria: El Cajon, CA reviews and acknowledges receipt of Implementation Management Plan.
- Project Plan/Schedule
  - Objective: Provide a comprehensive list of tasks, timelines and assignments related to the Deliverables of the Project.
  - Scope: Task list, assignments and due dates
  - Acceptance criteria: El Cajon, CA acceptance of schedule based on El Cajon, CA resource availability and Project budget and goals.

### 1.1.6.2 Initiate & Plan Stage Acceptance Criteria

- Hardware Installed
- System infrastructure audit complete and verified
- Implementation Management Plan delivered
- Project Plan/Schedule delivered; dates confirmed
- Stakeholder Presentation complete

## 1.2 Assess & Define (Stage 2)

The primary objective of Assess & Define is to gather information about current El Cajon, CA business processes and translate the material into future business processes using Tyler Applications. Tyler uses a variety of methods for obtaining the information, all requiring El Cajon, CA collaboration. The El Cajon, CA shall provide complete and accurate information to Tyler staff for analysis and understanding of current workflows and business processes.

### 1.2.1 Fundamentals Review

Fundamentals Review provides functional leads and Power Users an overall understanding of software capabilities prior to beginning current and future state analysis. The primary goal is to provide a basic understanding of system functionality, which provides a foundation for upcoming conversations regarding future state processing. Tyler utilizes a variety of methods for completing fundamentals training including the use of eLearning, videos, documentation, and walkthroughs.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 2	Assess & Define																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Schedule fundamentals review & provide fundamentals materials & prerequisites, if applicable		A	R	I								C	I		I				I	
Complete fundamentals materials review and prerequisites			I								A	R		I					C	
Ensure all scheduled attendees are present			I	I						A	R	C		I						
Facilitate fundamentals review		A	R									I	I	I						

### 1.2.2 Current/Future State Analysis

El Cajon, CA and Tyler evaluate current state processes, options within the new software, pros and cons of each option based on current or desired state, and make decisions about future state configuration and processing.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 2	Current/Future State Analysis																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Provide Current/Future State analysis materials to the El Cajon, CA, as applicable		A	R	I								C	I		I					
Conduct Current & Future State analysis			A	R								I	C	I	C					
Provide pros and cons of Tyler software options			A	R								I	C	I	C					
Make Future State Decisions according to due date in the Project Plan				I	I							C	A	R	I	C	I			
Record Future State decisions			A	R								I	C	I	C					

### 1.2.3 Data Conversion Planning & Mapping

This entails the activities performed to prepare to convert data from the El Cajon, CA’s Legacy System Applications to the Tyler system. Tyler staff and the El Cajon, CA work together to complete Data Mapping for each piece of data (as outlined in the Agreement) from the Legacy System to a location in the Tyler system.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 2	Data Conversion Planning & Mapping																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Review contracted data conversion(s) options			A	R	I							C	C		C			C		
Map data from Legacy System to Tyler system			I	C	I							A	C		C			R		
Pull conversion data extract			I		I							A	C		C			R		
Run balancing Reports for data pulled and provide to Tyler			I		I							A	C		R			I		
Review and approve initial data extract		A	I	C	R							I						I		
Correct issues with data extract, if needed			I	C	C							A	C		C			R		



### 1.2.4 Standard 3rd Party Data Exchange Planning

Standard Data Exchange tools are available to allow clients to get data in and out of the Tyler system with external systems. Data exchange tools can take the form of Imports and Exports, and Interfaces.

A Standard Interface is a real-time or automated exchange of data between two systems. This could be done programmatically or through an API. It is Tyler’s responsibility to ensure the Tyler programs operate correctly. It is the City’s responsibility to ensure the third party program operates or accesses the data correctly.

The City and Tyler Project Manager(s) will work together to define/confirm which Data Exchanges are needed (if not outlined in the Agreement). Tyler will provide a file layout for each Standard Data Exchange.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 2	Standard 3 <sup>rd</sup> Party Data Exchange Planning																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Review Standard or contracted Data Exchanges			A	R								C	I		I			C		
Define or confirm needed Data Exchanges			I	C								A	C		C			R		

### 1.2.5 Modification Analysis & Specification, if contracted

Tyler staff conducts additional analysis and develops specifications based on information discovered during this Stage. The El Cajon, CA reviews the specifications and confirms they meet El Cajon, CA's needs prior to acceptance. Out of Scope items or changes to specifications after acceptance may require a Change Request.

Tyler's intention is to minimize Modifications by using Standard functionality within the Application, which may require a El Cajon, CA business process change. It is the responsibility of the El Cajon, CA to detail all of their needs during the Assess and Define Stage. Tyler will write up specifications (for El Cajon, CA approval) for contracted program Modifications. Upon approval, Tyler will make the agreed upon Modifications to the respective program(s). Once the Modifications have been delivered, the El Cajon, CA will test and approve those changes during the Build and Validate Stage.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 2	Modification Analysis & Specification, if contracted																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Analyze contracted modified program requirements			A	C			R					C	C	I	C			C		
Develop specification document(s)	A		I	C			R					I	I		I			I		
Review specification document(s); provide changes to Tyler, if applicable			I	C			C					A	R	I	C			C		
Sign-off on specification document(s) and authorize work			I				I				A	R	C	I	I			C		

### 1.2.6 Forms & Reports Planning

El Cajon, CA and Tyler project manager(s) review Forms and Report needs. Items that may be included in the Agreement are either Standard Forms and Reports or known/included Modification(s). Items not included in the Agreement could be either El Cajon, CA-developed Reports or a newly discovered Modification that will require a Change Request.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 2	Forms & Reports Planning																				
	TYLER								CLIENT												
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator	
Review required Forms output			A	R									C	I	C				I		
Review and complete Forms options and submit to Tyler			I			I						A	R		C						
Review in Scope Reports			A	R								I	C		C						
Identify additional Report needs			I	C								A	R		C						
Add applicable tasks to Project schedule	A	R	I			C						C	I		I				I		

## 1.2.7 System Deployment

The Tyler Technical Services team Installs Tyler Applications on the server (hosted) and ensures the platform operates as expected.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 2	System Deployment																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Install contracted software on server	A		I					R				I							C	
Ensure platform operates as expected	A		I					R				I							C	

## 1.2.8 Control Point 2: Assess & Define Stage Acceptance

Acceptance criteria for this Stage includes completion of all criteria listed below. Advancement to the Build & Validate Stage is dependent upon Tyler's receipt of the Stage Acceptance.

### 1.2.8.1 Assess & Define Stage Deliverables

- Completed analysis Questionnaire
  - Objective: Gather and document information related to El Cajon, CA business processes for current/future state analysis as it relates to Tyler approach/solution.
  - Scope: Provide comprehensive answers to all questions on Questionnaire(s).
  - Acceptance criteria: El Cajon, CA acceptance of completed Questionnaire based on thoroughness of capturing all El Cajon, CA business practices to be achieved through Tyler solution.
- Data conversion summary and specification documents
  - Objective: Define data conversion approach and strategy.
  - Scope: Data conversion approach defined, data extract strategy, conversion and reconciliation strategy.
  - Acceptance criteria: Data conversion document(s) delivered to the El Cajon, CA, reflecting complete and accurate conversion decisions.
- Modification specification documents, if contracted
  - Objective: Provide comprehensive outline of identified gaps, and how the modified program meets the El Cajon, CA's needs.
  - Scope: Design solution for Modification.
  - Acceptance criteria: El Cajon, CA accepts Modified Specification Document(s) and agrees that the proposed solution meets their requirements.
- Completed Forms options and/or packages
  - Objective: Provide specifications for each El Cajon, CA in Scope form, Report and output requirements.
  - Scope: Complete Forms package(s) included in agreement and identify Report needs.
  - Acceptance criteria: Identify Forms choices and receive supporting documentation.
- Installation checklist
  - Objective: Installation of purchased Tyler software.
  - Scope: Tyler will conduct an initial coordination call, perform an installation of the software included in the Agreement, conduct follow up to ensure all tasks are complete, and complete server system administration training.
  - Acceptance criteria: Tyler software is successfully installed and available to authorized users, El Cajon, CA team members are trained on applicable system administration tasks.

### 1.2.8.2 Assess & Define Stage Acceptance Criteria

- Tyler software is installed.
- Fundamentals review is complete.

- Required Form information complete and provided to Tyler.
- Current/Future state analysis completed; Questionnaires delivered and reviewed.
- Data conversion mapping and extractions completed and provided to Tyler.

### 1.3 Build & Validate (Stage 3)

The objective of the Build & Validate Stage is to prepare the software for use in accordance with the El Cajon, CA’s needs identified during the Assess and Define Stage, preparing the El Cajon, CA for Final Testing and Training.

#### 1.3.1 Configuration & Power User Training

Tyler staff collaborates with the El Cajon, CA to complete software configuration based on the outputs of the future state analysis performed during the Assess and Define Stage. Tyler staff will train the El Cajon, CA Power Users to prepare them for the Validation of the software. The El Cajon, CA collaborates with Tyler staff iteratively to Validate software configuration.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 3	Build & Validate																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Perform configuration			A	R								I	R		I					
Power User process and Validation training			A	R								I	C	I	C				I	
Validate configuration			I	C								A	C		R			C		

### 1.3.2 Data Conversion & Validation

Tyler completes an initial review of the converted data for errors. With assistance from the El Cajon, CA, the Tyler Data Conversion Team addresses items within the conversion program to provide the most efficient data conversion possible. With guidance from Tyler, the El Cajon, CA reviews specific data elements within the system and identifies and Reports discrepancies in writing. Iteratively, Tyler collaborates with the El Cajon, CA to address conversion discrepancies prior to acceptance.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 3	Data Conversion & Validation																				
	TYLER								CLIENT												
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator	
Write and run data conversion program against Client data		A	I	C	R														C		
Complete initial review of data errors		A	I	C	R							I	I						C		
Review data conversion and submit needed corrections				I	C	I						A	C		R				C		
Revise conversion program(s) to correct error(s)		A	I	C	R							I	I		C				C		



### 1.3.3 Standard 3rd Party Data Exchange Validation

Tyler provides training on Data Exchange(s) and the El Cajon, CA tests each Data Exchange.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 3	Standard 3 <sup>rd</sup> Party Data Exchange Validation																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Train Data Exchange(s) processing in Tyler software			A	R								C	I	I	I			C	I	
Coordinate 3 <sup>rd</sup> Party Data Exchange activities			I	I								A	C		C			R		
Test all Standard 3 <sup>rd</sup> party Data Exchange(s)			I	C								A	C	I	R			C		

### 1.3.4 Modification Delivery & Validation, if contracted

Tyler delivers in Scope Modification(s) to the El Cajon, CA for preliminary testing. Final acceptance will occur during the Final Testing and Training Stage.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 3	Modification Delivery & Validation, if contracted																				
	TYLER								CLIENT												
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator	
Develop and deliver contracted modified program(s)		A	I	C	I		R					I	C	I	C				I		C
Test contracted modified program(s) in isolated database				I	C			C				A	C		R				C		
Report discrepancies between specification and delivered contracted modified program(s)				I	I			I				A	R		C				C		
Make corrections to contracted modified program(s) as required		A	I	C	I		R					I	C		C				I		

### 1.3.5 Forms & Reports Validation

Tyler provides training on Standard Forms/Reports and the El Cajon, CA tests each Standard Form/Report.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 3	Forms & Reports Validation																				
	TYLER								CLIENT												
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator	
Standard Forms & Report training			A	R								I	C		C						
Test Standard Forms & Reports			I	C		C						A	C		R				C		

### 1.3.6 Control Point 3: Build & Validate Stage Acceptance

Acceptance criteria for this Stage includes all criteria listed below. Advancement to the Final Testing & Training Stage is dependent upon Tyler's receipt of the Stage Acceptance.

#### 1.3.6.1 Build & Validate Stage Deliverables

- Initial data conversion
  - Objective: Convert Legacy System data into Tyler system.
  - Scope: Data conversion program complete; deliver converted data for review.
  - Acceptance criteria: Initial error log available for review.
- Data conversion verification document
  - Objective: Provide instructions to the El Cajon, CA to verify converted data for accuracy.
  - Scope: Provide self-guided instructions to verify specific data components in Tyler system.
  - Acceptance criteria: El Cajon, CA accepts data conversion delivery; El Cajon, CA completes data issues log.
- Installation of Modifications on the El Cajon, CA's server(s) \*except for hosted Clients
  - Objective: Deliver Modification(s) in Tyler software.
  - Scope: Program for Modification is complete and available in Tyler software, Modification testing.
  - Acceptance criteria: Delivery of Modification(s) results in objectives described in the El Cajon, CA-signed specification.
- Standard Forms & Reports Delivered
  - Objective: Provide Standard Forms & Reports for review.
  - Scope: Installation of all Standard Forms & Reports included in the Agreement.
  - Acceptance criteria: Standard Forms & Reports available in Tyler software for testing in Stage 4.

#### 1.3.6.2 Build & Validate Stage Acceptance Criteria

- Application configuration completed.
- Standard Forms & Reports delivered and available for testing in Stage 4.
- Data conversions (except final pass) delivered.
- Standard 3<sup>rd</sup> party Data Exchange training provided.
- Modifications delivered and available for testing in Stage 4.
- The El Cajon, CA and Tyler have done a review of primary configuration areas to Validate completeness and readiness for testing and acceptance in Stage 4.

## 1.4 Final Testing & Training (Stage 4)

During Final Testing and Training, Tyler and the El Cajon, CA review the final Cutover plan. A critical Project success factor is the El Cajon, CA understanding the importance of Final Testing and Training and dedicating the resources required for testing and training efforts in order to ensure a successful Production Cutover.

### 1.4.1 Cutover Planning

El Cajon, CA and Tyler project manager(s) discuss final preparations and critical dates for Production Cutover. Tyler delivers a Production Cutover Checklist to outline Cutover tasks to help prepare the El Cajon, CA for success.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 4	Cutover Planning																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Cutover Planning Session		A	R	C							I	I	C	C	C			C	C	
Develop Production Cutover Checklist		A	R	C						I	I	C	C	I	I			C		

### 1.4.2 User Acceptance Testing (UAT)

The El Cajon, CA performs User Acceptance Testing to verify software readiness for day-to-day business processing. Tyler provides a Test Plan for users to follow to ensure proper Validation of the system.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 4	User Acceptance Testing (UAT)																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Deliver Test Plan for User Acceptance Testing		A	R	C								I	I							
Perform User Acceptance Testing			I	C							A	R	C	C	C	I	I	C	I	
Accept modified program(s), if applicable			I	I			I				A	R	C	I	C			C		
Validate Report performance			I	C		C						A	C		R			C		

### 1.4.3 End User Training

End Users attend training sessions to learn how to utilize Tyler software. Training focuses primarily on day-to-day El Cajon, CA processes that will be delivered via group training, webinar, eLearnings and/or live training sessions.

Unless stated otherwise in the Agreement, Tyler provides one occurrence of each scheduled training or implementation topic with up to the maximum number of users as defined in the Agreement, or as otherwise mutually agreed. El Cajon, CA users who attended the Tyler sessions may train any El Cajon, CA users not able to attend the Tyler sessions or additional sessions may be contracted at the applicable rates for training.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 4	End User Training																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Conduct user training sessions			A	R								C	I		I	I		I	I	
Conduct additional End User training sessions			I								I	A	C	I	R	I	I	I	I	

## 1.4.4 Control Point 4: Final Testing & Training Stage Acceptance

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

### 1.4.4.1 Final Testing & Training Stage Deliverables

- Production Cutover checklist
  - Objective: Provide a detailed checklist outlining tasks necessary for production Cutover.
  - Scope: Dates for final conversion, date(s) to cease system processing in Legacy System, date(s) for first processing in Tyler system, contingency plan for processing.
  - Acceptance criteria: Definition of all pre-production tasks, assignment of owners and establishment of due dates.
- User Acceptance Test Plan
  - Objective: Provide testing steps to guide users through testing business processes in Tyler software.
  - Scope: Testing steps for Standard business processes.
  - Acceptance criteria: Testing steps have been provided for Standard business processes.

### 1.4.4.2 Final Testing & Training Stage Acceptance Criteria

- Production Cutover Checklist delivered and reviewed.
- Modification(s) tested and accepted, if applicable.
- Standard 3<sup>rd</sup> party Data Exchange programs tested and accepted.
- Standard Forms & Reports tested and accepted.
- User acceptance testing completed.
- End User training completed.



## 1.5 Production Cutover (Stage 5)

El Cajon, CA and Tyler resources complete tasks as outlined in the Production Cutover Plan and the El Cajon, CA begins processing day-to-day business transactions in the Tyler software. Following Production Cutover, the El Cajon, CA transitions to the Tyler support team for ongoing support of the Application.

### 1.5.1 Final Data Conversion, if applicable

The El Cajon, CA provides final data extract and Reports from the Legacy System for data conversion and Tyler executes final data conversion. The El Cajon, CA may need to manually enter into the Tyler system any data added to the Legacy System after final data extract.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 5	Final Data Conversion, if applicable																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Provide final data extract			C		I						I	A	C	I	I	I	I	R		
Provide final extract balancing Reports			I		I							A	C		R			I		
Convert and deliver final pass of data		A	I	I	R							I	I		I			C		
Validate final pass of data			I	C	C						I	A	C		R			C		
Load final conversion pass to Production environment			I		I						I	A	C	I	C			R		

### 1.5.2 Production Processing & Assistance

Tyler staff collaborates with the El Cajon, CA during Production Cutover activities. The El Cajon, CA transitions to Tyler software for day-to day business processing.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 5	Production Processing & Assistance																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Production processing			C	C						I	I	A	R	R	R	R	R	R	I	I
Provide production assistance			A	R				C				I	C	C	C	C	C	C		

### 1.5.3 Transition to Tyler Support

Tyler project manager(s) introduce the El Cajon, CA to the Tyler Support team, who provides the El Cajon, CA with day-to-day assistance following Production Cutover.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 5	Transition to Tyler Support																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Develop internal support plan			I								A	R	C	C	C	C		C	C	C
Conduct transfer to Support meeting	A	I	C					R				C	C	C	C	I	I	C	I	I

### 1.5.4 Schedule Post-Production Services, if applicable

Tyler provides post-production services if included in the Agreement. Prior to scheduling services, the Tyler project manager(s) collaborate with El Cajon, CA project manager(s) to identify needs.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 5	Schedule Post-Production Services, if applicable																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Identify topics for post-production services			C	C								A	R	I	C				I	
Schedule services for post-production topics		A	R	I								C	C	I	C				I	

## 1.5.5 Control Point 5: Production Cutover Stage Acceptance

Acceptance criteria for this Stage includes all criteria listed below. Advancement to the Phase/Project Closure Stage is dependent upon Tyler's receipt of this Stage Acceptance.

### 1.5.5.1 Production Cutover Stage Deliverables

- Final data conversion, if applicable
  - Objective: Ensure (in Scope) Legacy System data is available in Tyler software in preparation for production processing.
  - Scope: Final passes of all conversions completed in this Phase.
  - Acceptance criteria: Data is available in production environment.
- Support transition documents
  - Objective: Define strategy for on-going Tyler support.
  - Scope: Define support strategy for day-to-day processing, conference call with El Cajon, CA Project Manager(s) and Tyler support team, define roles and responsibilities, define methods for contacting support.
  - Acceptance criteria: the El Cajon, CA receives tools to contact support and understands proper support procedures.

### 1.5.5.2 Production Cutover Stage Acceptance Criteria

- Final data conversion(s) delivered.
- Processing is being done in Tyler production.
- Transition to Tyler support is completed.
- Post-live services have been scheduled, if applicable.

## 1.6 Phase/Project Closure (Stage 6)

Project or Phase closure signifies full implementation of all products purchased and encompassed in the Phase or Project. The El Cajon, CA moves into the next cycle of their relationship with Tyler (next Phase of implementation or long-term relationship with Tyler Support).

### 1.6.1 Close Phase/Project

The El Cajon, CA and Tyler project manager(s) review the list of outstanding Project activities and develop a plan to address them. The Tyler project manager(s) review the Project budget and status of each contract Deliverable with the El Cajon, CA project manager(s) prior to closing the Phase or Project.

RACI MATRIX KEY: **R** = Responsible **A** = Accountable **C** = Consulted **I** = Informed

STAGE 6	Close Phase/Project																			
	TYLER								CLIENT											
TASKS	Tyler Executive Manager	Tyler Implementation Manager	Tyler Project Manager	Tyler Implementation Consultant	Tyler Data Conversion Experts	Tyler Forms & Reports Experts	Tyler Modification Programmers	Tyler Technical Support	Tyler Sales	Client Executive Sponsor	Client Steering Committee	Client Project Manager	Client Functional Leads	Client Change Management Leads	Client Power Users	Client Department Heads	Client End Users	Client Technical Leads	Client Project Toolset Coordinator	Client Upgrade Coordinator
Review outstanding Project activities and develop action plan		A	R	C								C	C	I	C	I		C		
Review Project budget and status of contract Deliverables		A	R							I	I	C								

## 1.6.2 Control Point 6: Phase/Project Closure Stage Acceptance

Acceptance criteria for this Stage includes all criteria listed below. This is the final acceptance for the Phase/Project.

### 1.6.2.1 Phase/Project Closure Stage Deliverables

- Phase/Project reconciliation report
  - Objective: Provide comparison of contract Scope and Project budget.
  - Scope: Contract Scope versus actual, analysis of services provided and remaining budget, identify any necessary Change Requests or Project activity.
  - Acceptance criteria: Acceptance of services and budget analysis and plan for changes, if needed.

### 1.6.2.2 Phase/Project Closure Stage Acceptance Criteria

- Outstanding Phase or Project activities have been documented and assigned.
- Phase/final Project budget has been reconciled.
- Tyler Deliverables for the Phase/Project are complete.

## 2 Roles and Responsibilities

### 2.1 Tyler Roles and Responsibilities

Tyler assigns project manager(s) prior to the start of each Phase of the Project. The project manager(s) assign additional Tyler resources as the schedule develops and as needs arise. One person may fill multiple project roles.

#### 2.1.1 Tyler Executive Management

- Provides clear direction for Tyler staff on executing on the Project Deliverables to align with satisfying the El Cajon, CA'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.
- Offers additional support to the project team and is able to work with other Tyler department managers in order to escalate and facilitate implementation project tasks and decisions.
- Acts as the counterpart to the El Cajon, CA's executive sponsor.

#### 2.1.2 Tyler Implementation Management

- Acts as the counterpart to the El Cajon, CA steering committee.
- Assigns initial Tyler project personnel.
- Works to resolve all decisions and/or issues not resolved at the Project Management level as part of the escalation process.
- Attends El Cajon, CA steering committee meetings as necessary.
- 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.

#### 2.1.3 Tyler Project Manager

The Tyler project manager(s) provides oversight of the Project, coordination of 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.

- 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 El Cajon, CA project manager(s).
  - Coordinates Change Requests, if needed, to ensure proper Scope and budgetary compliance.
- Planning



- Update and deliver Implementation Management Plan.
- Defines project tasks and resource requirements.
- Develops initial project schedule and full scale Project Plan.
- Collaborates with El Cajon, CA project manager(s) to plan and schedule project timelines to achieve on-time implementation.
- Implementation Management
  - Tightly manages Scope and budget of Project; establishes process and approval matrix with the El Cajon, CA to ensure Scope changes and budget planned versus actual are transparent and handled effectively and efficiently.
  - Establishes and manages a schedule and resource plan that properly supports the Project Plan that is also in balance with Scope/budget.
  - Establishes risk/issue tracking/reporting process between the El Cajon, CA and Tyler and takes all necessary steps to proactively mitigate these items or communicates with transparency to the El Cajon, CA any items that may impact the outcomes of the Project.
  - Collaborates with the El Cajon, CA'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.
  - Sets a routine communication plan that will aide all project team members, of both the El Cajon, CA and Tyler, in understanding the goals, objectives, current status and health of the project.
- Team 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.
  - Builds partnerships among the various stakeholders, negotiating authority to move the Project forward.
  - Manages the appropriate assignment and timely completion of tasks as defined in the Project Plan, task list, and Production Cutover Checklist.
  - Assesses team performance and adjusts as necessary.
  - Interfaces closely with Tyler developers to coordinate program Modification activities.
  - Coordinates with in Scope 3<sup>rd</sup> party providers to align activities with ongoing project tasks.

#### 2.1.4 Tyler Implementation Consultant

- Completes tasks as assigned by the Tyler project manager(s).
- Performs problem solving and troubleshooting.
- Follows up on issues identified during sessions.
- Documents activities for on site services performed by Tyler.
- Provides conversion Validation and error resolution assistance.
- Recommends guidance for testing Forms and Reports.
- Tests software functionality with the El Cajon, CA following configuration.
- Assists during Production Cutover process and provides production support until the El Cajon, CA transitions to Tyler Support.
- Provides product related education.

- Effectively facilitates training sessions and discussions with El Cajon, CA and Tyler staff to ensure adequate discussion of the appropriate agenda topics during the allotted time.
- Conducts training (configuration, process, conversion Validation) for Power Users and the El Cajon, CA's designated trainers for End Users.
- Clearly documents homework tasks with specific due dates and owners, supporting and reconciling with the final Project Plan.
- Keeps Tyler project manager(s) proactively apprised of any and all issues which may result in the need for additional training, change in schedule, change in process decisions, or which have the potential to adversely impact the success of the Project prior to taking action.

### 2.1.5 Tyler Sales

- Provide sales background information to Implementation during Project initiation.
- Support Sales transition to Implementation.
- Provide historical information, as needed, throughout implementation.

### 2.1.6 Tyler Software Support

- Manages incoming client issues via phone, email, and online customer incident portal.
- Documents and prioritizes issues in Tyler's Customer Relationship Management (CRM) system.
- Provides issue analysis and general product guidance.
- Tracks issues and tickets to timely and effective resolution.
- Identifies options for resolving reported issues.
- Reports and escalates defects to Tyler Development.
- Communicates with the El Cajon, CA on the status and resolution of reported issues.

### 2.1.7 Tyler SaaS Technicians

- Provides maintenance of hosted server hardware, operating system, and Software Upgrades.
- Provides IT-related services for server environment.
- Provides remote technical assistance and tracks issues.
- Provides systems management and disaster recovery services within hosting services.
- Adds new El Cajon, CA users; SaaS determines user names incorporating a unique client identifier and user initials.
- Performs Tyler Software Upgrades through coordination with the El Cajon, CA.

### 2.1.8 Tyler Disaster Recovery Support

- Conduct and monitor nightly backups of El Cajon, CA databases at hosting facility, transfer nightly backups to Tyler's data center.
- Provides services to host Application in the event of a disaster.
- Provides 24 hour RPO – Recover Point Objective.
- Provides emergency response within 2 business hours
- Ensure Tyler Application availability within 8 business hours.
- Provide one annual disaster planning walkthrough.

## 2.2 El Cajon, CA Roles and Responsibilities

El Cajon, CA resources will be assigned prior to the start of each Phase of the project. One person may be assigned to multiple project roles.

### 2.2.1 El Cajon, CA Executive Sponsor

- Provides clear direction for the Project and how the Project applies to the organization's overall strategy.
- Champions the Project at the executive level to secure buy-in.
- Authorizes required Project resources.
- Resolves all decisions and/or issues not resolved at the El Cajon, CA steering committee level as part of the escalation process.
- Actively participates in organizational change communications.

### 2.2.2 El Cajon, CA Steering Committee

- 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.
- 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.
- Has the authority to approve or deny changes impacting the following areas:
  - Cost
  - Scope
  - Schedule
  - Project Goals
  - El Cajon, CA Policies

### 2.2.3 El Cajon, CA Project Manager

The El Cajon, CA 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, and communicates decisions and commitments to the Tyler project manager(s) in a timely and efficient manner. When the El Cajon, CA project manager(s) do not have the knowledge or authority to make decisions, he or she engages the correct resources from El Cajon, CA to participate in discussions and make decisions in a timely fashion to avoid Project delays.

- Contract Management
  - Validates contract compliance throughout the Project.
  - Ensures invoicing and Deliverables meet contract requirements.
  - Acts as primary point of contact for all contract and invoicing questions.

- Signs off on contract milestone acknowledgment documents.
- Collaborates on and approves Change Requests, if needed, to ensure proper Scope and budgetary compliance.
- Planning
  - Review and acknowledge Implementation Management Plan.
  - Defines project tasks and resource requirements for El Cajon, CA project team.
  - Collaborates in the development and approval of the initial Project Plan and Project Plan.
  - Collaborates with Tyler project manager(s) to plan and schedule Project timelines to achieve on-time implementation.
- Implementation Management
  - Tightly manages Project budget and Scope and collaborates with Tyler project manager(s) to establish a process and approval matrix to ensure 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 Plan, as a whole, that is also in balance with Scope/budget.
  - Collaborates with Tyler Project manager(s) to establishes risk/issue tracking/reporting process between the El Cajon, CA and Tyler and takes all necessary steps to proactively mitigate these items or communicates 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 El Cajon, CA staff and Tyler, aiding in the understanding of goals, objectives, current status, and health of the Project by all team members.
- Team Management
  - Acts as liaison between project team and stakeholders.
  - Identifies and coordinates all El Cajon, CA 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 in the Project Plan, task list, and Production Cutover Checklist.
  - Assesses team performance and takes corrective action, if needed.
  - Provides guidance to El Cajon, CA technical teams to ensure appropriate response and collaboration with Tyler Technical Support Teams to ensure timely response and appropriate resolution.
  - Coordinates in Scope 3<sup>rd</sup> party providers to align activities with ongoing Project tasks.

## 2.2.4 El Cajon, CA 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.
- Attends and contributes business process expertise for current/future state analysis sessions.
- Identifies and includes additional subject matter experts to participate in Current/Future State Analysis sessions.
- Provides business process change support during Power User and End User training.
- Completes performance tracking review with client project team on End User competency on trained topics.
- Provides Power and End Users with dedicated time to complete required homework tasks.
- Act as an ambassador/champion of change for the new process.
- Identifies and communicates any additional training needs or scheduling conflicts to El Cajon, CA project manager.
- Prepares and Validates Forms.
- Actively participates in all aspects of the implementation, including, but not limited to, the following key activities:
  - Task completion
  - Stakeholder Presentation
  - Implementation Management Plan development
  - Schedule development
  - Maintenance and monitoring of risk register
  - Escalation of issues
  - Communication with Tyler project team
  - Coordination of El Cajon, CA resources
  - Attendance at scheduled sessions
  - Change Management activities
  - Modification specification, demonstrations, testing and approval assistance
  - Conversion Analysis and Verification Assistance
  - Decentralized End User Training
  - Process Testing
  - User Acceptance Testing

### 2.2.5 El Cajon, CA Power Users

- Participate in Project activities as required by the project team and project manager(s).
- Provide subject matter expertise on El Cajon, CA business processes and requirements.
- Act as subject matter experts and attend current/future state and validation sessions as needed.
- Attend all scheduled training sessions.
- Participate in all required post-training processes as needed throughout Project.
- Participate in Conversion Validation.
- Test all Application configuration to ensure it satisfies business process requirements.
- Become Application experts.
- Participate in User Acceptance Testing.
- Adopt and support changed procedures.
- Complete all Deliverables by the due dates defined in the Project Plan.
- Demonstrate competency with Tyler products processing prior to Production Cutover.
- Provide knowledge transfer to El Cajon, CA staff during and after implementation.

### 2.2.6 El Cajon, CA 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 Plan.
- Utilize software to perform job functions at and beyond Production Cutover.

### 2.2.7 El Cajon, CA Technical Support

- Coordinates updates and releases with Tyler as needed.
- Coordinates the copying of source databases to training/testing databases as needed for training days.
- Extracts and transmits conversion data and control reports from El Cajon, CA's Legacy System per the conversion schedule set forth in the Project Plan.
- Coordinates and adds new users and printers and other Peripherals as needed.
- Validates all users understand log-on process and have necessary permission for all training sessions.
- Coordinates Interface development for El Cajon, CA third party Data Exchanges.
- Develops or assists in creating Reports as needed.
- Ensures onsite system hardware meets specifications provided by Tyler.
- Assists with software Installation as needed.

### 2.2.8 El Cajon, CA Upgrade Coordinator

- Becomes familiar with the Software Upgrade process and required steps.
- Becomes familiar with Tyler's releases and updates.
- Utilizes Tyler Community to stay abreast of the latest Tyler releases and updates, as well as the latest helpful tools to manage the El Cajon, CA'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 El Cajon, CA and Tyler resources.
- Communicates changes affecting users and department stakeholders.
- Obtains department stakeholder sign-offs to upgrade production environment.

### 2.2.9 El Cajon, CA Project Toolset Coordinator

- Ensures users have appropriate access to Tyler project toolsets such as Tyler University, Tyler Community, Tyler Product Knowledgebase, SharePoint, etc.
- Conducts training on proper use of toolsets.
- Validates completion of required assignments using toolsets.

### 2.2.10 El Cajon, CA Change Management Lead

- Validates 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.

## 4.2 Munis Conversion Summary

### 4.2.1 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

### 4.2.2 Accounting - Actuals

- Summary account balances
- Up to 3 years

### 4.2.3 Accounting - Budgets

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

### 4.2.4 Accounts Payable Master

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

### 4.2.5 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

### 4.2.6 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

### 4.2.7 Contracts

- Contract header detail with many fields available to convert including fiscal year and period, vendor number, department code, description, enforcement method code, dates for award, approval, entry and expiration, retention information, user-defined type and review codes, status code, user id for entry and approver. Additional fields are also available. A balance forward

contract amount is converted, if original amount is required there will be an additional charge and contracts, po's and invoices must be converted together.

#### 4.2.8 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)

#### 4.2.9 General Billing CID

- Customer information

#### 4.2.10 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

#### 4.2.11 General Billing – Bills

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

#### 4.2.12 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

#### 4.2.13 Payroll - Deductions

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

#### 4.2.14 Payroll – Accrual Balances

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

#### 4.2.15 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



#### 4.2.16 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.

#### 4.2.17 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.

#### 4.2.18 Payroll – PM Action History

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

#### 4.2.19 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

#### 4.2.20 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.

#### 4.2.21 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

#### 4.2.22 Utility Billing –Consumption History

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

#### 4.2.23 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

#### 4.2.24 Utility Billing – Work Orders

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

#### 4.2.25 Utility Billing –Backflow

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

#### 4.2.26 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.

#### 4.2.27 Utility Billing –Flat Inventory/Containers

- Inventory for non-metered items tied to recurring service billing – flat rate is tied to inventory item(s)/item type(s) (vs consumption/usage). Trash/recycling containers, dumpsters, roll off containers, light poles, cable/internet equipment.

#### 4.2.28 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

#### 4.2.29 Project Grant Accounting - Actuals

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

#### 4.2.30 Project Grant Accounting – Budget

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

#### 4.2.31 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.

### 3 Glossary

Word or Term	Definition
<b>Application</b>	A computer program designed to perform a group of coordinated functions, tasks or activities for the benefit of the user.
<b>Change Control</b>	A systematic approach for managing change governing how Change Requests will be received, assessed and acted on.
<b>Change Management</b>	An approach for ensuring that changes are thoroughly and smoothly implemented and that the lasting benefits of change are achieved. The focus is on the global impact of change with an intense focus on people and how individuals and teams move from the current situation to the new one.
<b>Change Request</b>	A form used as part of the Change Control process whereby changes in the Scope of work, timeline, resources, and/or budget are revised and agreed upon by participating parties.
<b>Consumables</b>	Items that are used on a recurring basis, usually by Peripherals. Examples: paper stock or scanner cleaning kits.
<b>Control Point</b>	Occurring at the end of each Stage, the Control Point serves as a formal client review point. Project progress cannot continue until the client acknowledges the agreed upon Deliverables of the Stage have been met or agree on an action plan to make the Deliverable acceptable and move to next Stage while executing final steps of current Stage.
<b>Cutover</b>	The point when a client begins using Tyler software in production.
<b>Data Exchange</b>	A term used to reference Imports and Exports, and Interfaces which allow data to be exchanged between an external system and Tyler software.
<b>Data Mapping</b>	The process of mapping fields from the Legacy System to the appropriate location in the new system from one or more sources.
<b>Deliverable</b>	A tangible or intangible object/document produced as a result of the Project that is intended to be delivered to a client (either internal or external) or vendor at a specific time.
<b>End User</b>	The person for whom the software is designed to use on a day-to-day basis.
<b>Forms</b>	A document which is typically printed on a template background and only captures data for one record per page. Forms are provided to entity customers whether internal (employees) or external (citizens).
<b>Imports and Exports</b>	A process within the system that a user is expected to run to consume (Import) or produce (Export) a specifically defined file format/layout.
<b>Interface</b>	A real-time or automated exchange of data between two systems.

<b>Install</b>	References the initial installation of software files on client services and preparing the software for use during configuration. The version currently available for general release will always be used during the initial install.
<b>Legacy System</b>	The system from which a client is converting.
<b>Modification</b>	Modification of software program package to provide individual client requirements documented within the Scope of the Agreement.
<b>Peripherals</b>	An auxiliary device that connects to and works with the computer in some way. Examples: mouse, keyboard, scanner, external drive, microphone, speaker, webcam, and digital camera.
<b>Phase</b>	A portion of the Project in which specific set of related products are typically implemented. Phases each have an independent start, Production Cutover and closure dates but use the same Implementation Plans as other Phases within the Project. Phases may overlap or be sequential and may have the same Tyler project manager and Tyler project team or different individuals assigned.
<b>Power User</b>	An experienced client person or group who is (are) an expert(s) in the client business processes, as well as knowledgeable in the requirements and acceptance criteria.
<b>Project</b>	The Project includes all implementation activity from Plan & Initiate to Closure for all products, Applications and functionality included in a single Agreement. The Project may be broken down into multiple Phases.
<b>Project Plan</b>	The Project Plan serves as the master blueprint for the Project. As developed, the Project schedule will become a part of the Project Plan and outline specific details regarding tasks included in the Project Plan.
<b>Project Planning Meeting</b>	Occurs during the Plan & Initiate Stage to coordinate with the Client project manager to discuss Scope, information needed for project scheduling and resources.
<b>Questionnaire</b>	A document containing a list of questions to be answered by the client for the purpose of gathering information needed by Tyler to complete the implementation.
<b>RACI</b>	A chart describing level of participation by various roles in completing tasks or Deliverables for a Project or process. Also known as a responsibility assignment matrix (RAM) or linear responsibility chart (LRC).
<b>Reports</b>	Formatted to return information related to multiple records in a structured format. Information is typically presented in both detail and summary form for a user to consume.
<b>Scope</b>	Products and services that are included in the Agreement.

<b>Software Upgrade</b>	References the act of updating software files to a newer software release.
<b>Stage</b>	The top-level components of the WBS. Each Stage is repeated for individual Phases of the Project and requires acknowledgement before continuing to the next Stage. Some tasks in the next Stage may begin before the prior Stage is complete.
<b>Stakeholder Presentation</b>	Representatives of the Tyler implementation team will meet with key client representatives to present high level Project expectations and outline how Tyler and the Client can successfully partner to create an environment for a successful implementation.
<b>Standard</b>	Included in the base software (out of the box) package.
<b>Statement of Work (SOW)</b>	Document which will provide supporting detail to the Agreement defining Project -specific activities and Deliverables Tyler will provide to the client.
<b>Test Plan</b>	Describes the testing process. Includes “Test Cases” to guide the users through the testing process. Test cases are meant to be a baseline for core processes; the client is expected to supplement with client specific scenarios and processes.
<b>Validation (or to validate)</b>	The process of testing and approving that a specific Deliverable, process, program or product is working as expected.
<b>Work Breakdown Structure (WBS)</b>	A hierarchical representation of a Project or Phase broken down into smaller, more manageable components.



City Council  
Agenda Report

DATE: October 27, 2020  
TO: Honorable Mayor and City Councilmembers  
FROM: Graham Mitchell, City Manager  
SUBJECT: COVID-19 Status Report

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RECOMMENDATION:

No action required.

BACKGROUND:

At its October 13, 2020 meeting, the City Council requested that staff present an update regarding COVID-19 related information at the October 27th meeting. It was suggested that there be a regular agenda item on this topic for the near future.

As part of the presentation associated with this agenda item, staff will:

1. highlight the current County and State health regulations and address impacts on the community,
2. share pertinent COVID-19 related data for both the County and the City, and
3. address operational actions taken by the City in response to COVID-19.

During the meeting, staff will be able to address questions that the City Council may have and receive feedback on information that may be useful in future presentations.

Prepared By: Graham Mitchell, City Manager

Reviewed By: N/A

Approved By: N/A

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City Council  
Agenda Report

**DATE:** October 27, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Mayor Wells  
**SUBJECT:** Council Activity Report

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**RECOMMENDATION:**

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

**BACKGROUND:**

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**REPORT:**

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

- October 22 – North Marshall Dog Park Virtual Ribbon Cutting
- October 23 – SANDAG Audit Committee Meeting
- October 23 – SANDAG Board of Directors Meeting
- October 27 – City Council Meeting(s)

I am available to answer questions.

Submitted By: Bill Wells, Mayor

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City Council  
Agenda Report

Agenda Item 10.

**DATE:** October 27, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Councilmember Kendrick  
**SUBJECT: COUNCILMEMBER GARY KENDRICK**  
METRO Commission/Wastewater JPA; Heartland Communications;  
Heartland Fire Training JPA.; East County Advanced Purification JPA.

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**RECOMMENDATION:**

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

**BACKGROUND:**

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**REPORT:**

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

October 22 – HCFA Commission Meeting  
October 27 – City Council Meeting(s)

I am available to answer questions.

Submitted By: Gary Kendrick, Councilmember

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City Council  
Agenda Report

Agenda Item 11.

**DATE:** October 27, 2020

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Councilmember McClellan

**SUBJECT: COUNCILMEMBER BOB MCCLELLAN**

MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate

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**RECOMMENDATION:**

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

**BACKGROUND:**

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**REPORT:**

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

October 15 – MTS Board Meeting

October 27 – City Council Meeting(s)

I am available to answer questions.

Submitted By: Bob McClellan, Councilmember

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City Council  
Agenda Report

Agenda Item 12.

**DATE:** October 27, 2020

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Councilmember Goble

**SUBJECT: COUNCILMEMBER STEVE GOBLE**

SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate; Chamber of Commerce – Government Affairs Committee; MTS (Metropolitan Transit System Board) – Alternate; East County Advanced Purification JPA - Alternate.

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**RECOMMENDATION:**

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

**BACKGROUND:**

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**REPORT:**

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

- October 12 - Email to Asm Voepel's Office re: resident request for EDD help
- October 14 - Email to Chief Moulton re: compliment from a reporter
- October 17 - Meeting with Bruce L re: general issues of East County
- October 18 - Meeting with Barbara J. re: Human Trafficking
- October 19 - Email to City Mgr re: use of CARES-CV3 funds
- October 19 - Email to Caroline S @ County re: question on COVID-19
- October 20 - Email to Barbara J re: meeting about human trafficking
- October 20 - Dog Park Video
- October 22 - Community Cleanup (Trash pickup on E Main St)
- October 26 - Meeting with City Mgr
- October 27 - City Council Meeting

I am available to answer questions.

Submitted By: Steve Goble, Councilmember



City Council  
Agenda Report

**DATE:** October 27, 2020  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Deputy Mayor Phil Ortiz  
**SUBJECT:** **DEPUTY MAYOR PHIL ORTIZ**  
East County Economic Development Council.

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**RECOMMENDATION:**

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

**BACKGROUND:**

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**REPORT:**

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

October 27 – City Council Meeting(s)

I am available to answer questions.

Submitted By: Phil Ortiz, Deputy Mayor

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