



CITY OF BUELLTON

CITY COUNCIL AGENDA

**Regular Meeting of October 23, 2014 at 6:00 p.m.
City Council Chambers, 140 West Highway 246
Buellton, California**

Materials related to an item on this agenda, as well as materials submitted to the City Council after distribution of the agenda packet, are available for public inspection in the Office of the City Clerk, located at 107 West Highway 246, during normal business hours.

CALL TO ORDER

Mayor John Connolly

PLEDGE OF ALLEGIANCE

Council Member Holly Sierra

ROLL CALL

Council Members Ed Andrisek, Judith Dale, Holly Sierra, Vice Mayor Leo Elovitz, and Mayor John Connolly

REORDERING OF AGENDA

PUBLIC COMMENTS

Speaker Slip to be completed and turned in to the City Clerk prior to commencement of meeting. Any person may address the Council on any subject pertaining to City business, including all items on the agenda not listed as a Public Hearing, including the Consent Agenda and Closed Session. Limited to three (3) minutes per speaker. By law, no action may be taken at this meeting on matters raised during Public Comments not included on this agenda.

CONSENT CALENDAR

(ACTION)

The following items are considered routine and non-controversial and are scheduled for consideration as a group. Any Council Member, the City Attorney, or the City Manager may request that an item be withdrawn from the Consent Agenda to allow for full discussion. Members of the Public may speak on Consent Agenda items during the Public Comment period.

- 1. Minutes of October 9, 2014 Regular City Council Meeting**
- 2. List of Claims to be Approved and Ratified for Payment to Date for Fiscal Year 2014-15**
- 3. Revenue and Expenditure Reports through September 30, 2014**
❖ (Staff Contact: Finance Director Carolyn Galloway-Cooper)

- 4. Financial Report for First Quarter Ending September 30, 2014**
❖ *(Staff Contact: Finance Director Carolyn Galloway-Cooper)*
- 5. Extension of Existing Contract with Metro Ventures Ltd. for Irma L. Tucker to Provide Professional Planning Services**
❖ *(Staff Contact: City Manager Marc Bierdzinski)*

PRESENTATIONS

PUBLIC HEARINGS

COUNCIL MEMBER COMMENTS

COUNCIL ITEMS

WRITTEN COMMUNICATIONS

Written communications are included in the agenda packets. Any Council Member, the City Manager or City Attorney may request that a written communication be read into the record.

COMMITTEE REPORTS

This Agenda listing is the opportunity for Council Members to give verbal Committee Reports on any meetings recently held for which the Council Members are the City representatives thereto.

BUSINESS ITEMS

(POSSIBLE ACTION)

- 6. Consideration of Two Temporary Use Permits for Amplified Music at Figueroa Mountain Brewing Company**
❖ *(Staff Contact: City Manager Marc Bierdzinski)*
- 7. Discussion Regarding Implementation of Economic Development Strategies by Kosmont Companies**
❖ *(Staff Contact: City Manager Marc Bierdzinski)*
- 8. Award of Contract for Software Implementation Services**
❖ *(Staff Contact: Finance Director Carolyn Galloway-Cooper)*

CITY MANAGER’S REPORT

ADJOURNMENT

The next meeting of the City Council will be held on Thursday, November 13, 2014 at 6:00 p.m.

CITY OF BUELLTON

CITY COUNCIL MEETING MINUTES
Regular Meeting of October 9, 2014
City Council Chambers, 140 West Highway 246
Buellton, California

CALL TO ORDER

Mayor John Connolly called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

Vice Mayor Leo Elovitz led the Pledge of Allegiance

ROLL CALL

Present: Council Members Ed Andrisek, Judith Dale, Holly Sierra, Vice Mayor Leo Elovitz, and Mayor Connolly

Staff: City Manager Marc Bierdzinski, City Attorney Ralph Hanson, Finance Director Carolyn Galloway-Cooper, Public Works Director Rose Hess, Station Commander Lt. Shawn O’Grady, and City Clerk Linda Reid

REORDERING OF AGENDA

None

PUBLIC COMMENTS

Public Works Director Hess provided an update regarding the sidewalk improvements on East Highway 246.

Lew Adkins, Buellton, thanked staff for their work on the sidewalk improvements on East Highway 246 and asked staff to keep the pressure on to get the repairs made.

Dan Heedy, Buellton, discussed the Friends of the Library event at Zaca Creek Golf Course on September 28 and expressed his displeasure with how the event was handled.

Kathy Vreeland, Executive Director of the Buellton Chamber of Commerce and Visitors Bureau, provided several announcements for the record.

Peggy Brierton, Buellton, requested that Council agendaize discussion of creating a City Council voting record for public access on the City’s website and provided a handout for the record.

CONSENT CALENDAR

- 1. Minutes of September 25, 2014 Regular City Council Meeting**
- 2. List of Claims to be Approved and Ratified for Payment to Date for Fiscal Year 2014-15**
- 3. Approval Authorizing the Donation of Surplus Vehicle**
- 4. Authorization of Letter of Intent for Highway 246 Sidewalk Project**
- 5. Award of Contract for Highway 246 Maintenance Work**

MOTION:

Motion by Council Member Sierra, seconded by Council Member Dale, approving Consent Calendar Items 1 through 5 as listed.

VOTE:

Motion passed by a roll call vote of 5-0, with Council Members Andrisek, Connolly, Dale, Elovitz, and Sierra voting yes.

PRESENTATIONS

None

PUBLIC HEARINGS

None

COUNCIL MEMBER COMMENTS

Council Member Sierra announced that Figueroa Mountain Brewing Company and Firestone Walker Brewing Company both received top honors at a national brewing contest in Denver, Colorado. She also announced that a Buellton team won the Valley Bocce ball tournament.

COUNCIL ITEMS

Council Member Sierra requested that the Public Works Department trim the trees shrouding the stop sign River View and Second Streets and investigate traffic safety improvements in this area.

Vice Mayor Elovitz requested that staff agendize adding a City Council voting record for public access on the City's website. The City Council agreed by consensus to agendize this item.

WRITTEN COMMUNICATIONS

None

COMMITTEE REPORTS

Council Member Sierra announced that she attended the Santa Barbara County Association of Governments (SBCAG) meeting and provided an oral report regarding the meeting.

Council Member Sierra announced that she attended the Chamber of Commerce Board meeting and provided an oral report regarding the meeting.

BUSINESS ITEMS

6. Discussion of Potential Zoning Code Amendments for Locations of Fast Food Restaurants

RECOMMENDATION:

That the City Council direct staff whether to amend the zoning ordinance regarding the location of fast food restaurants with direction of what areas should be excluded.

STAFF REPORT:

City Manager Bierdzinski presented the staff report.

SPEAKERS/DISCUSSION:

The City Council discussed the following issues:

- Limiting the location of fast food restaurants in the City
- Moratorium or prohibition on fast food restaurants
- Asking fast food restaurants to conform to architecture of the area
- Having the Planning Commission review this issue and provide recommendations to the Council
- Asking Kosmont Companies to discuss this issue on October 23

Peggy Brierton, Buellton, stated that the Council should limit the locations or prohibit fast food restaurants in Buellton and they should not be allowed on the Avenue of Flags.

DOCUMENTS:

Staff report with attachments as listed in the staff report.

MOTION:

Motion by Council Member Sierra, seconded by Vice Mayor Elovitz, requesting staff to develop an ordinance restricting the location of fast food restaurants.

VOTE:

Motion passed by a roll call vote of 3-2, with Council Members Connolly, Elovitz, and Sierra voting yes and Council Members Andrisek and Dale voting no.

CITY MANAGER’S REPORT

City Manager Bierdzinski provided an informational report for the record.

CLOSED SESSION ITEMS

- 7. The City Council will conduct a Closed Session pursuant to California Government Code Section 54957 concerning the following:
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: City Manager**

The City Council met in closed session to discuss the City Manager’s performance evaluation. No reportable action was taken.

ADJOURNMENT

Mayor Connolly adjourned the regular meeting at 7:15 p.m. The next regular meeting of the City Council will be held on Thursday, October 23, 2014 at 6:00 p.m.

John Connolly
Mayor

ATTEST:

Linda Reid
City Clerk

BACK-UP/SUPPORT DATA IS AVAILABLE FOR COUNCIL REVIEW IN CITY HALL

The following is a list of claims to be ratified and approved for payment by the City Council at the **October 23, 2014** Council Meeting.

Listed below is a brief summary of the attached claims:

EXHIBIT A		<u>\$ 116,438.15</u>
EXHIBIT B		<u>\$ 43,604.72</u>
PAYROLL	10/15/14	<u>\$ 39,857.74</u>
TOTAL AMOUNT OF CLAIMS:		<u><u>\$ 199,900.61</u></u>

AUTHORIZATION IS HEREBY GIVEN TO THE CITY TREASURER TO PAY ALL CLAIMS AS REVENUES BECOME AVAILABLE.

Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A001-000-2306-000 - Long-Term Care Deduction	90	Ca1PERS LONG-TERM CARE PROGRAM		
23054 10/1/14 - 10/15/14 - M. Bierz	1		Paid	84.25
A001-000-2306-000 - Long-Term Care Deduction		*** Account total ***		84.25
A001-120-1101-000 - Accounts Receivable	0	BUELLTON PROPERTIES INVESTMENT		
18322 6/12 Ref Credit - Proj Complet	1		Paid	2,914.50
18323 6/12 Red Credit - Proj Complet	0	OPERATIONS OF 655 CENTRAL AVE.		
	1		Paid	693.50
A001-120-1101-000 - Accounts Receivable		*** Account total ***		3,608.00
A001-215-2815-000 - Park/Damage Charge	0	SASHA JEWEL		
23064 10/4/14 RV Park Deposit Refund	1		Paid	40.00
A001-215-2815-000 - Park/Damage Charge		*** Account total ***		40.00
A001-216-2825-000 - Developer Deposit	835	METRO VENTURES LTD		
23066 9/14 P1ng - Hampton Inn #129	1		Paid	4,012.50
23074 9/14 - Hampton Inn Cust #129	65	BURKE, WILLIAMS & SORENSEN, LL		
	1		Paid	514.50
23075 9/14 - Village Snr Apts Cust #	65	BURKE, WILLIAMS & SORENSEN, LL		
	1		Paid	759.50
23076 9/14 - Village Townhomes Cust	65	BURKE, WILLIAMS & SORENSEN, LL		
	1		Paid	122.50
23108 8/14 - Crossroads @ Village #1	326	MNS ENGINEERS, INC.		
	1		Paid	3,275.00
23109 8/14 - Park at the Village #12	326	MNS ENGINEERS, INC.		
	1		Paid	3,625.00
23110 8/14 - Flying Flags Expansn #1	326	MNS ENGINEERS, INC.		
	1		Paid	1,250.00
23111 8/14 - Oak Springs LLA - #128	326	MNS ENGINEERS, INC.		
	1		Paid	400.00
A001-216-2825-000 - Developer Deposit		*** Account total ***		13,959.00
A001-401-5101-000 - Medical Benefit	820	ACWA/JPIA		
23121 11/14 - Dental/Vision Premiums	1		Paid	477.32
A001-401-5101-000 - Medical Benefit		*** Account total ***		477.32
A001-401-5402-000 - Travel & Training	629	ED ANDRISEK		
23013 9/14 - CA LOC Conference Reimb	1		Paid	169.24
A001-401-5402-000 - Travel & Training		*** Account total ***		169.24
A001-402-5101-000 - Medical Benefit	820	ACWA/JPIA		
23121 11/14 - Dental/Vision Premiums	2		Paid	98.90
A001-402-5101-000 - Medical Benefit		*** Account total ***		98.90

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A001-402-6301-000	Miscellaneous	23023	9/14 Various Shirts/Uniforms		
		746	LANDS END, INC		
		3		Paid	77.92
A001-402-6301-000	Miscellaneous		*** Account total ***		77.92
A001-403-5101-000	Medical Benefit	23121	11/14 - Dental/Vision Premiums		
		820	ACWA/JPIA		
		3		Paid	59.35
A001-403-5101-000	Medical Benefit		*** Account total ***		59.35
A001-403-5306-000	Advertising - Legal	23036	9/14 - Legal Notice		
		285	SANTA MARIA TIMES dba		
		1		Paid	113.70
A001-403-5306-000	Advertising - Legal		*** Account total ***		113.70
A001-403-6301-000	Miscellaneous	23023	9/14 Various Shirts/Uniforms		
		746	LANDS END, INC		
		4		Paid	99.28
A001-403-6301-000	Miscellaneous		*** Account total ***		99.28
A001-404-6204-000	Contract Services-Legal Fees	23073	9/14 - Retainer		
		65	BURKE, WILLIAMS & SORENSEN, LL		
		1		Paid	8,841.00
		23077	9/14 - Dept of Finance Lawsuit		
		65	BURKE, WILLIAMS & SORENSEN, LL		
		1		Paid	312.60
A001-404-6204-000	Contract Services-Legal Fees		*** Account total ***		9,153.60
A001-410-5301-000	Office Supplies	23022	8/14 Thread Chart		
		746	LANDS END, INC		
		1		Paid	10.00
		23028	9/14 - Copies Used - Linda		
		118	COASTAL COPY, LP		
		1		Paid	34.31
		23029	9/14 - Copies Used - CH/Kal		
		118	COASTAL COPY, LP		
		1		Paid	805.07
A001-410-5301-000	Office Supplies		*** Account total ***		849.38
A001-410-5305-000	Equipment Rental	23049	CH Copier Prop Tax		
		713	COASTAL COPY, LP		
		1		Paid	74.06
A001-410-5305-000	Equipment Rental		*** Account total ***		74.06
A001-410-5602-000	Internet Access/ Website Maint	23026	9/19/14-10/18/14 Summary Billi		
		555	VERIZON CALIFORNIA		
		1		Paid	169.98
		23055	9/26/14 - 10/25/14 CH Internet		
		122	COMCAST CABLE		
		1		Paid	251.37
A001-410-5602-000	Internet Access/ Website Maint		*** Account total ***		421.35
A001-410-5701-000	Telephone	23026	9/19/14-10/18/14 Summary Billi		
		555	VERIZON CALIFORNIA		
		2		Paid	323.89
A001-410-5701-000	Telephone		*** Account total ***		323.89

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A001-410-5702-000	Utilities - Gas				
	23032 8/27/14-9/26/14 - CH Gas Chgs	507	THE GAS COMPANY		
		1		Paid	18.84
A001-410-5702-000	Utilities - Gas		*** Account total ***		18.84
A001-410-6006-000	H/R Expense				
	23038 10/14 Annual Renewal Membershi	728	KIMBERLEY LECLAIRE dba		
		1		Paid	50.00
A001-410-6006-000	H/R Expense		*** Account total ***		50.00
A001-410-6301-000	Miscellaneous				
	23021 Thru 9/23/14 Shred Svcs	237	IRON MOUNTAIN		
		1		Paid	41.51
	23025 9/14 Misc Maint Items	387	ALBERTSONS, LLC.		
		1		Paid	205.60
	23087 9/14 - Misc Maint Items	110	CVS PHARMACY		
		1		Paid	14.89
A001-410-6301-000	Miscellaneous		*** Account total ***		262.00
A001-420-5101-000	Medical Benefit				
	23121 11/14 - Dental/Vision Premiums	820	ACWA/JPIA		
		4		Paid	212.64
A001-420-5101-000	Medical Benefit		*** Account total ***		212.64
A001-420-6301-000	Miscellaneous				
	23023 9/14 Various Shirts/Uniforms	746	LANDS END, INC		
		2		Paid	127.68
A001-420-6301-000	Miscellaneous		*** Account total ***		127.68
A001-510-5702-000	Utilities - Gas				
	23031 8/27/14-9/26/14 Lib/CC Gas Chg	507	THE GAS COMPANY		
		1		Paid	14.79
A001-510-5702-000	Utilities - Gas		*** Account total ***		14.79
A001-511-5101-000	Medical Benefit				
	23121 11/14 - Dental/Vision Premiums	820	ACWA/JPIA		
		5		Paid	623.72
A001-511-5101-000	Medical Benefit		*** Account total ***		623.72
A001-511-5301-000	Office Supplies				
	23062 9/14 - Copies Used - Rec Ctr	118	COASTAL COPY, LP		
		1		Paid	60.29
A001-511-5301-000	Office Supplies		*** Account total ***		60.29
A001-511-5306-000	Advertising				
	23053 9/14 Rec Ctr Ads	280	LEE CENTRAL COAST NEWSPAPERS		
		1		Paid	865.34
A001-511-5306-000	Advertising		*** Account total ***		865.34
A001-511-5506-000	Fuel-Vehicles				
	23122 9/14 Fuel Charges	768	WEX BANK		
		4		Paid	411.39
A001-511-5506-000	Fuel-Vehicles		*** Account total ***		411.39

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A001-511-5509-000	Maintenance/Repair				
	23039 9/14 Misc Maint/Repair Items	438	SANTA YNEZ VALLEY HARDWARE		
		1		Paid	42.63
A001-511-5509-000	Maintenance/Repair		*** Account total ***		42.63
A001-511-5701-000	Telephone/Internet				
	23030 9/25/14-10/24/14 Phone/Int-Rec	122	COMCAST CABLE		
		1		Paid	163.85
	23033 8/26/14-9/27/14 Abello Cell Ph	473	SPRINT SPECTRUM, L.P. dba		
		1		Paid	33.90
A001-511-5701-000	Telephone/Internet		*** Account total ***		197.75
A001-511-5801-000	Buellton Recreation Program				
	23025 9/14 Misc Maint Items	387	ALBERTSONS, LLC.		
		2		Paid	23.67
	23047 2014 Rec Ctr Copier Prop Tax	201	G E CAPITAL		
		1		Paid	62.47
	23058 10/14 Rec Ctr - Volunteer Shir	42	BRYAN PETERSEN dba		
		1		Paid	287.85
	23059 10/14 Refund Boxing Classes	0	JENNIFER LEE		
		1		Paid	15.00
	23060 10/14 - Refund Boxing Classes	0	STUART GILDRED		
		1		Paid	10.00
	23061 10/14 Refund Boxing Classes	0	STEPHANIE VALENTINE		
		1		Paid	10.00
	23088 10/14 - Returned Shirts	314	THE UPS STORE		
		1		Paid	15.21
A001-511-5801-000	Buellton Recreation Program		*** Account total ***		424.20
A001-511-5801-001	Recreation Program 50/50				
	23025 9/14 Misc Maint Items	387	ALBERTSONS, LLC.		
		3		Paid	23.67
A001-511-5801-001	Recreation Program 50/50		*** Account total ***		23.67
A001-551-6201-000	Contract Services				
	23101 8/14 - Storm Water Mgmt Plan	326	MNS ENGINEERS, INC.		
		1		Paid	7,110.00
A001-551-6201-000	Contract Services		*** Account total ***		7,110.00
A001-552-5501-000	Operational Supplies				
	23069 9/1/14 - 9/30/14 Misc Maint/Rp	521	TODD PIPE & SUPPLY		
		1		Paid	68.52
	23091 10/14 - Can Liners - RV Park	382	PROCARE JANITORIAL SUPPLY, INC		
		1		Paid	177.88
A001-552-5501-000	Operational Supplies		*** Account total ***		246.40
A001-552-5509-001	Maintenance/Repair-Riverview				
	23068 10/14 Irrigation Supplies - RV	76	CAL-COAST IRRIGATION, INC.		
		1		Paid	23.33
	23069 9/1/14 - 9/30/14 Misc Maint/Rp	521	TODD PIPE & SUPPLY		
		2		Paid	91.71
		4		Paid	23.66

Obligat'n Description	Vendor/ Name/ Line Nbr Description	Stage	Amount
A001-552-5509-001 - Maintenance/Repair-Riverview	*** Continued ***		
23085 10/3 - Valves & Glue	16 SCHAFF HOLDINGS, INC. dba		
	1	Paid	57.86
A001-552-5509-001 - Maintenance/Repair-Riverview	*** Account total ***		196.56
A001-552-5704-000 - Utilities - Water			
23114 9/14 Irrig - Oak Valley Elem/P	105 CITY OF BUELLTON		
	1	Paid	1,086.36
A001-552-5704-000 - Utilities - Water	*** Account total ***		1,086.36
A001-552-6201-000 - Contract Services			
23097 9/22/14 - Deep Clean Restrooms	395 JOSE RAFAEL RUIZ dba		
	1	Paid	300.00
A001-552-6201-000 - Contract Services	*** Account total ***		300.00
A001-556-5509-000 - Maintenance/Repair			
23042 9/14 Twin Oaks/Lib Rpr	16 SCHAFF HOLDINGS, INC. dba		
	1	Paid	71.10
23069 9/1/14 - 9/30/14 Misc Maint/Rp	521 TODD PIPE & SUPPLY		
	6	Paid	54.18
A001-556-5509-000 - Maintenance/Repair	*** Account total ***		125.28
A001-557-6101-000 - Development Permit Processing			
23107 8/14 - Small Permits	326 MNS ENGINEERS, INC.		
	1	Paid	2,700.00
A001-557-6101-000 - Development Permit Processing	*** Account total ***		2,700.00
A001-557-6201-000 - Contract Services			
23099 8/14 - City Engineer/Public Wo	326 MNS ENGINEERS, INC.		
	1	Paid	4,575.00
A001-557-6201-000 - Contract Services	*** Account total ***		4,575.00
A001-558-5101-000 - Medical Benefit			
23121 11/14 - Dental/Vision Premiums	820 ACWA/JPIA		
	6	Paid	436.13
A001-558-5101-000 - Medical Benefit	*** Account total ***		436.13
A001-558-5401-000 - Membership & Publications			
23078 2015 Membership Renewal	847 ASCE/ AMERICAN SOC. OF CIVIL E		
	1	Paid	280.00
A001-558-5401-000 - Membership & Publications	*** Account total ***		280.00
A001-558-5501-000 - Operational Supplies			
23093 10/14 - Return Can Liners	382 PROCARE JANITORIAL SUPPLY, INC		
	1	Paid	-97.04
23123 9/14 Misc Maint/Repair Items	342 NIELSEN BUILDING MATERIALS, INC		
	1	Paid	11.79
A001-558-5501-000 - Operational Supplies	*** Account total ***		-85.25
A001-558-5504-000 - Laundry / Uniforms			
23023 9/14 Various Shirts/Uniforms	746 LANDS END, INC		
	5	Paid	246.60
A001-558-5504-000 - Laundry / Uniforms	*** Account total ***		246.60

Obligat'n Description	Vendor/ Name/ Line Nbr Description	Stage	Amount
A001-558-5506-000 - Fuel - Vehicles			
23122 9/14 Fuel Charges	768 WEX BANK		
	1	Paid	590.23
A001-558-5506-000 - Fuel - Vehicles	*** Account total ***		590.23
A001-558-5507-000 - Maintenance - Vehicles			
23071 9/14 - Lft Door Handle - Fusio	350 OLIVERA'S REPAIR, INC		
	1	Paid	198.73
23079 9/14 - Battery for Kurt's Truc	350 OLIVERA'S REPAIR, INC		
	1	Paid	53.23
23092 9/14 - J Deere F932 - Mower Re	77 CAL-COAST MACHINERY, INC		
	1	Paid	2,571.00
23117 9/14 - Remainder of Traverse 0	763 RIO VISTA CHEVROLET, INC.		
	1	Paid	29.83
A001-558-5507-000 - Maintenance - Vehicles	*** Account total ***		2,852.79
A001-558-5509-000 - Maintenance / Repair			
23039 9/14 Misc Maint/Repair Items	438 SANTA YNEZ VALLEY HARDWARE		
	2	Paid	4.31
23069 9/1/14 - 9/30/14 Misc Maint/Rp	521 TODD PIPE & SUPPLY		
	3	Paid	315.95
23123 9/14 Misc Maint/Repair Items	342 NIELSEN BUILDING MATERIALS, INC		
	2	Paid	119.48
A001-558-5509-000 - Maintenance / Repair	*** Account total ***		439.74
A001-558-5511-000 - Signs			
23080 9/14 - Sign Post Return - CM	681 STATEWIDE SAFETY & SIGNS, INC.		
	1	Paid	-2,130.84
23081 9/14 - Sign Post	681 STATEWIDE SAFETY & SIGNS, INC.		
	1	Paid	1,229.04
23082 9/14 - Sign Posts & Anchor	681 STATEWIDE SAFETY & SIGNS, INC.		
	1	Paid	2,013.34
A001-558-5511-000 - Signs	*** Account total ***		1,111.54
A001-558-5603-000 - Computer Maintenance &Software			
23086 9/14 - Desktop Parks/Water/WWP	655 COAST NETWORKX, INC.		
	1	Paid	456.34
A001-558-5603-000 - Computer Maintenance &Software	*** Account total ***		456.34
A001-558-6201-000 - Contract Services			
23024 10/14 Svcs - 9/14 Msgs	172 ECHO COMMUNICATIONS		
	1	Paid	21.00
23050 9/14 PIng Drinking Water	32 NESTLE WATERS NORTH AMERICA db		
	1	Paid	8.03
23051 9/14 Lib/CC Drinking Water	32 NESTLE WATERS NORTH AMERICA db		
	1	Paid	33.71
23052 9/14 CH Drinking Water	32 NESTLE WATERS NORTH AMERICA db		
	3 Surplus	Paid	36.25
23094 10/14 Street Sweeping Svcs	465 SP MAINTENANCE SERVICES, INC.		
	1	Paid	2,821.00

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A001-558-6201-000	- Contract Services		*** Continued ***		
	23119 9/14 CH/Plng/CC/Lib Janitorial	142	DANIEL FITZGERALD dba		
		1		Paid	960.00
A001-558-6201-000	- Contract Services		*** Account total ***		3,879.99
A001-565-5101-000	- Medical Benefit				
	23121 11/14 - Dental/Vision Premiums	820	ACWA/JPIA		
		7		Paid	206.04
A001-565-5101-000	- Medical Benefit		*** Account total ***		206.04
A001-565-5305-000	- Equipment Rental				
	23048 9/21-10/20/14 Plng Copier Ls &	744	GE CAPITAL INFO TECH SOLUTIONS		
		1		Paid	556.06
A001-565-5305-000	- Equipment Rental		*** Account total ***		556.06
A001-565-5306-000	- Advertising - Legal				
	23034 9/14 - Legal Notices - Plng	285	SANTA MARIA TIMES dba		
		1		Paid	174.33
	23035 9/14 - Legal Notice - Plng	285	SANTA MARIA TIMES dba		
		1		Paid	187.02
A001-565-5306-000	- Advertising - Legal		*** Account total ***		361.35
A001-565-5401-000	- Membership & Publications				
	23063 11/14 - 11/15 Plng Subscriptio	439	SANTA YNEZ VALLEY NEWS		
		1		Paid	21.00
A001-565-5401-000	- Membership & Publications		*** Account total ***		21.00
A001-565-5402-000	- Travel & Training				
	23040 9/11/14 CFCC Funding Fair Mil	24	ANGELA PEREZ		
		1		Paid	33.60
	23041 10/1/14 Lndscape Rebate-Mil Re	24	ANGELA PEREZ		
		1		Paid	48.16
A001-565-5402-000	- Travel & Training		*** Account total ***		81.76
A001-565-5701-000	- Telephone				
	23026 9/19/14-10/18/14 Summary Billi	555	VERIZON CALIFORNIA		
		3		Paid	382.14
A001-565-5701-000	- Telephone		*** Account total ***		382.14
A001-565-6201-000	- Contract Services				
	23065 9/14 Plng Consult Svcs	835	METRO VENTURES LTD		
		1		Paid	1,987.50
A001-565-6201-000	- Contract Services		*** Account total ***		1,987.50
A001-565-6202-000	- Contract Services-Engineering				
	23102 8/14 - Misc. Planning Support	326	MNS ENGINEERS, INC.		
		1		Paid	700.00
A001-565-6202-000	- Contract Services-Engineering		*** Account total ***		700.00
A001-565-6301-000	- Miscellaneous				
	23023 9/14 Various Shirts/Uniforms	746	LANDS END, INC		
		1		Paid	114.65
A001-565-6301-000	- Miscellaneous		*** Account total ***		114.65

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A005-701-5101-000	- Medical Benefit				
	23121 11/14 - Dental/Vision Premiums	820	ACWA/JPIA		
		8		Paid	336.99
A005-701-5101-000	- Medical Benefit		*** Account total ***		336.99
A005-701-5303-000	- Postage				
	23027 10/14 Postage	379	POSTMASTER		
		1		Paid	284.00
A005-701-5303-000	- Postage		*** Account total ***		284.00
A005-701-5501-000	- Operational Supplies				
	23069 9/1/14 - 9/30/14 Misc Maint/Rp	521	TODD PIPE & SUPPLY		
		8		Paid	14.78
	23087 9/14 - Misc Maint Items	110	CVS PHARMACY		
		2		Paid	17.10
	23113 9/14 - WWTP Chain Hoist	543	USA BLUEBOOK		
		1		Paid	438.13
	23123 9/14 Misc Maint/Repair Items	342	NIELSEN BUILDING MATERIALS, INC		
		3		Paid	7.64
A005-701-5501-000	- Operational Supplies		*** Account total ***		477.65
A005-701-5502-000	- Chemicals / Analysis				
	23083 9/14 Chemicals/Analysis	5	ABALONE COAST ANALYTICAL, INC.		
		1		Paid	289.00
	23112 9/14 - Two 55 gal Drum - Hydro	27	AQUA BEN CORPORATION		
		1		Paid	1,244.16
A005-701-5502-000	- Chemicals / Analysis		*** Account total ***		1,533.16
A005-701-5506-000	- Fuel - Vehicles				
	23122 9/14 Fuel Charges	768	WEX BANK		
		2		Paid	590.24
A005-701-5506-000	- Fuel - Vehicles		*** Account total ***		590.24
A005-701-5507-000	- Maintenance - Vehicles				
	23079 9/14 - Battery for Kurt's Truc	350	OLIVERA'S REPAIR, INC		
		2		Paid	53.22
	23117 9/14 - Remainder of Traverse 0	763	RIO VISTA CHEVROLET, INC.		
		2		Paid	29.84
A005-701-5507-000	- Maintenance - Vehicles		*** Account total ***		83.06
A005-701-5509-000	- Maintenance / Repair				
	23037 9/14 WWTP Diffuser Maint/Rpr	59	MOTOR PRODUCTS INC. dba		
		1		Paid	10.13
	23067 9/14 - WWTP Diffuser Rpr Parts	76	CAL-COAST IRRIGATION, INC.		
		1		Paid	81.27
	23069 9/1/14 - 9/30/14 Misc Maint/Rp	521	TODD PIPE & SUPPLY		
		5		Paid	29.62
	23072 10/14 - Steel Frame	359	PABLO MUNOZ dba		
		1		Paid	1,895.00
	23090 10/14 - Install Motor	369	PERRY'S ELECTRIC MOTORS & CONT		
		1		Paid	455.41

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A005-701-5509-000	- Maintenance / Repair		*** Continued ***		
	23098 9/14 - Service WWTP Gate	778	KELCOLE MANUFACTURING CORP. db	Paid	170.00
	23115 9/14 - Aerator Motor Cable Rep	369	PERRY'S ELECTRIC MOTORS & CONT	Paid	267.36
	23116 9/14 - Bearing/Bushing Motor R	369	PERRY'S ELECTRIC MOTORS & CONT	Paid	717.33
	23120 9/14 - Return Various Tape	369	PERRY'S ELECTRIC MOTORS & CONT	Paid	-401.94
A005-701-5509-000	- Maintenance / Repair		*** Account total ***		3,224.18
A005-701-5510-000	- Safety Equipment				
	23043 9/14 - Safety Supplies	413	SUSAN CAMPBELL dba	Paid	478.17
A005-701-5510-000	- Safety Equipment		*** Account total ***		478.17
A005-701-5603-000	- Computer Maintenance &Software				
	23086 9/14 - Desktop Parks/Water/WWP	655	COAST NETWORX, INC.	Paid	456.33
A005-701-5603-000	- Computer Maintenance &Software		*** Account total ***		456.33
A005-701-5701-000	- Telephone				
	23026 9/19/14-10/18/14 Summary Billi	555	VERIZON CALIFORNIA	Paid	580.49
A005-701-5701-000	- Telephone		*** Account total ***		580.49
A005-701-6201-000	- Contract Services				
	23024 10/14 Svcs - 9/14 Msgs	172	ECHO COMMUNICATIONS	Paid	21.00
	23052 9/14 CH Drinking Water	32	NESTLE WATERS NORTH AMERICA db	Paid	12.09
	23089 9/14 - Dig Alert Tickets	535	UNDERGROUND SERVICE ALERT	Paid	12.75
	23096 9/16/14 - Delivery & Fuel Chg	679	COURIER SYSTEMS	Paid	7.35
	23118 9/14 - Wtr Smple Deliveries	679	COURIER SYSTEMS	Paid	69.53
A005-701-6201-000	- Contract Services		*** Account total ***		122.72
A020-210-2101-000	- Customer Deposits				
	23057 10/1/14 - Final Bill/Deposit R	0	BRIAN DRAPER	Paid	29.90
A020-210-2101-000	- Customer Deposits		*** Account total ***		29.90
A020-601-5101-000	- Medical Benefit				
	23121 11/14 - Dental/Vision Premiums	820	ACWA/JPIA	Paid	539.09
A020-601-5101-000	- Medical Benefit		*** Account total ***		539.09
A020-601-5303-000	- Postage				
	23027 10/14 Postage	379	POSTMASTER	Paid	284.00
A020-601-5303-000	- Postage		*** Account total ***		284.00

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A020-601-5501-000	Operational Supplies				
	23069 9/1/14 - 9/30/14 Misc Maint/Rp	521	TODD PIPE & SUPPLY		
		7		Paid	33.22
A020-601-5501-000	Operational Supplies		*** Account total ***		33.22
A020-601-5502-000	Chemicals / Analysis				
	23045 9/14 - Cylinder Return CM	248	JCI JONES CHEMICALS, INC.		
		1		Paid	-899.99
	23046 9/14 - Chlorine	248	JCI JONES CHEMICALS, INC.		
		1		Paid	4,377.39
	23083 9/14 Chemicals/Analysis	5	ABALONE COAST ANALYTICAL, INC.		
		2		Paid	219.00
A020-601-5502-000	Chemicals / Analysis		*** Account total ***		3,696.40
A020-601-5506-000	Fuel - Vehicles				
	23122 9/14 Fuel Charges	768	WEX BANK		
		3		Paid	590.24
A020-601-5506-000	Fuel - Vehicles		*** Account total ***		590.24
A020-601-5507-000	Maintenance - Vehicles				
	23079 9/14 - Battery for Kurt's Truc	350	OLIVERA'S REPAIR, INC		
		3		Paid	53.22
	23117 9/14 - Remainder of Traverse O	763	RIO VISTA CHEVROLET, INC.		
		3		Paid	29.84
A020-601-5507-000	Maintenance - Vehicles		*** Account total ***		83.06
A020-601-5510-000	Safety Equipment				
	23044 9/14 2 Hand Trucks - WTP	413	SUSAN CAMPBELL dba		
		1		Paid	317.52
	23095 9/14 - Coveralls	842	NEW PIG CORPORATION		
		1		Paid	165.89
A020-601-5510-000	Safety Equipment		*** Account total ***		483.41
A020-601-5603-000	Computer Maintenance &Software				
	23086 9/14 - Desktop Parks/Water/WWP	655	COAST NETWORK, INC.		
		3		Paid	456.33
A020-601-5603-000	Computer Maintenance &Software		*** Account total ***		456.33
A020-601-5701-000	Telephone				
	23026 9/19/14-10/18/14 Summary Billi	555	VERIZON CALIFORNIA		
		5		Paid	834.08
A020-601-5701-000	Telephone		*** Account total ***		834.08
A020-601-6011-000	Regulatory Compliance				
	23084 10/14 - WTP Generator Permit	427	SB CO APCD		
		1		Paid	407.00
A020-601-6011-000	Regulatory Compliance		*** Account total ***		407.00
A020-601-6201-000	Contract Services				
	23024 10/14 Svcs - 9/14 Msgs	172	ECHO COMMUNICATIONS		
		2		Paid	21.00

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A020-601-6201-000	- Contract Services		*** Continued ***		
	23052 9/14 CH Drinking Water	32	NESTLE WATERS NORTH AMERICA db		
		2	CITY HALL DRINKING WATER	Paid	12.09
	23089 9/14 - Dig Alert Tickets	535	UNDERGROUND SERVICE ALERT		
		1		Paid	12.75
	23096 9/16/14 - Delivery & Fuel Chg	679	COURIER SYSTEMS		
		2		Paid	7.35
	23118 9/14 - Wtr Smple Deliveries	679	COURIER SYSTEMS		
		2		Paid	69.52
A020-601-6201-000	- Contract Services		*** Account total ***		122.71
A020-601-6202-000	- Contract Services-Engineering				
	23106 8/14 - Backflow Prevention Prg	326	MNS ENGINEERS, INC.		
		1		Paid	14,400.00
A020-601-6202-000	- Contract Services-Engineering		*** Account total ***		14,400.00
A029-557-6201-000	- Contract Services				
	23100 8/14 - City/Transportation Pln	326	MNS ENGINEERS, INC.		
		1		Paid	1,750.00
A029-557-6201-000	- Contract Services		*** Account total ***		1,750.00
A051-566-5509-000	- Maintenance / Repair				
	23056 10/14 HOA Dues - Unit 101(Cham	582	VINTAGE WALK, LLC OWNERS ASSOC		
		1		Paid	104.00
A051-566-5509-000	- Maintenance / Repair		*** Account total ***		104.00
A075-000-2709-000	- Const & Demo Material Mgmt Dep				
	20332 7/13 Refund-Construction/Demo	0	O'REILLY AUTOMOTIVE INC		
		1		Paid	4,050.00
A075-000-2709-000	- Const & Demo Material Mgmt Dep		*** Account total ***		4,050.00
A092-302-6507-000	- Improvements				
	23104 8/14 - FY 13/14 Road Maint Pro	326	MNS ENGINEERS, INC.		
		1		Paid	5,908.42
A092-302-6507-000	- Improvements		*** Account total ***		5,908.42
A092-602-6507-000	- Improvements				
	23103 8/14 - Resv 1 & 2 Roof Repairs	326	MNS ENGINEERS, INC.		
		1		Paid	400.00
A092-602-6507-000	- Improvements		*** Account total ***		400.00
A092-603-6201-000	- Contract Services				
	23105 8/14 - Vairous Water Studies	326	MNS ENGINEERS, INC.		
		1		Paid	5,176.41
A092-603-6201-000	- Contract Services		*** Account total ***		5,176.41
A092-706-6507-000	- WWTP Facilities Impvts				
	23070 9/14 - SCADA Integration	718	AUTOSYS, INC.		
		1		Paid	5,020.50
A092-706-6507-000	- WWTP Facilities Impvts		*** Account total ***		5,020.50
* Report total *			*** Total ***		116,438.15

Payments via Electronic Fund Transfer (EFT):

10/14 Bank Service Charges	9/30/14	206.40
Payroll Taxes - Staff	10/1/14	10,614.96
10/14 Medical Premiums	10/3/14	16,702.26
9/14 DCP Contributions	10/3/14	14,068.30
9/14 FSA-Staff	10/3/14	1,427.38
9/14 FSA-Council	10/3/14	100.00
10/14 Grp Life-Staff/Council	10/6/14	485.42
Total		\$ 43,604.72

CITY OF BUELLTON
City Council Agenda Staff Report

City Manager Review: MPB
Council Agenda Item No.: 3

To: The Honorable Mayor and City Council

From: Carolyn Galloway-Cooper, Finance Director

Meeting Date: October 23, 2014

Subject: Revenue and Expenditure Reports through September 30, 2014

BACKGROUND

The attached report compares month-to-month data covering the period July1, 2014 through September 30, 2014. The report is prepared monthly and submitted to Council on the second meeting of each month. It is posted to the City's website. Upon monthly review, adjustments may be necessary and staff will update on the website.

FISCAL IMPACT

The Revenue and Expenditure report provides the community with an understanding of the financial activity of the City's funds on a monthly basis.

RECOMMENDATION

That the City Council receives and files this report for information purposes.

ATTACHMENT

Attachment 1 - Revenue and Expenditure Reports through September 30, 2014

ATTACHMENT 1

City of Buellton
 General Fund - Monthly Revenue (unaudited)
 FY: 2014-15

cgc: 10 7 14

25%

2014

2015

Account Number	Description	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY: 2014-15
001-301-4001-000	Property Tax - Secured													-
001-302-4002-000	Property Tax - Unsecured													-
001-309-4007-000	Homeowners Exemptions													-
001-310-4101-000	Franchise Fees	5,368	11,187											16,555
001-311-4102-000	Sales Tax	105,200												105,200
001-311-4115-000	Sales Tax Compensation													-
001-312-4103-000	Transient Occupancy Tax (TOT)	201,630	209,981											411,611
001-320-5801-000	Buellton Recreation Program	13,067	7,576	12,384										33,027
001-320-5801-001	Recreation Program (50/50)	9,193	3,695	1,365										14,253
001-320-5802-000	Buellton Rec Pgm Trips	3,728	1,520	5,613										10,861
001-321-4106-000	Property Transfer Tax		5,881	2,852										8,733
001-322-4107-000	Motor Vehicle in Lieu Tax													-
001-322-4116-000	MV License Fee													-
001-325-5814-000	Park Reservation Fees	160	200	270										630
001-333-4506-000	CA Indian Gaming Grant													-
001-333-4508-000	COPS Grant													-
001-340-4401-000	Criminal Fines and Penalties		2,120	3,379										5,499
001-342-4402-000	Fines and Fees	325		295										620
001-345-4904-000	Interest	2,815	5,028											7,843
001-346-4905-000	Rent	2,500	8,978	5,739										17,217
001-347-4801-000	Law Enforcement Cost Recovery	19	48											67
001-348-4403-000	Event Applic Fee/Temp Use		310	155										465
001-357-4802-000	Zoning Clearance	45	209	315										569
001-357-4803-000	Document Sales	212		9										221
001-357-4806-000	Time Extension Fees													-
001-357-4801-110	Crossroads at the Village													-
001-357-4808-000	Code Enforcement Fines													-
001-376-4908-000	CA Prop 1B Revenue													-
001-378-4205-000	Small Permits	3,000	1,000											4,000
001-390-4917-000	Miscellaneous		6,031											6,031
001-390-4918-000	Cost Reimbursement	431	523											954
001-395-4931-000	Transfer In													-
001-398-4923-000	Surplus Property Sales	-	-	5,352										5,352
TOTAL REVENUE (ACTUAL THROUGH SEPTEMBER):		347,693	264,287	37,728	-	-	-	-	-	-	-	-	-	649,708

Percentage Received: 11%
 Budget: 6,160,441

City of Buellton
 General Fund Monthly Expenditures (Unaudited)
 FY: 2014-15

cgc: 10 7 14

25%

2014

2015

Department No.	Description	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY: 2014-15
001-401	City Council	9,370	9,432	10,859										29,661
001-402	City Manager	16,615	17,550	17,479										51,644
001-403	City Clerk	7,641	7,404	7,913										22,958
001-404	City Attorney	-	11,674	11,845										23,519
001-410	Non-Departmental	75,574	9,889	83,629										169,092
001-420	Finance	22,129	22,071	21,487										65,687
001-501	Police and Fire	842	48,579	566,311										615,732
001-510	Library	-	501	470										971
001-511	Recreation	32,321	42,886	57,846										133,053
001-550	Street Lights	-	4,493	4,610										9,103
001-551	Storm Water	-	10,130	16,490										26,620
001-552	Public Works - Parks	8,984	15,742	10,734										35,460
001-556	Public Works - Landscape	-	10,056	5,400										15,456
001-557	Public Works - Engineering	-	3,650	-										3,650
001-558	Public Works - General	29,103	124,634	41,410										195,147
001-565	Planning/Community Dev	14,764	24,509	26,202										65,475
	Transfer to CIP fund 92 (updated in June)	-												-
	TOTAL EXPENDITURES (ACTUAL THROUGH SEPTEMBER):	217,343	363,200	882,685	-	-	-	-	-	-	-	-	-	1,463,228

Percentage spent:	24%
Budget	6,141,114
Amendments	-
Amended Budget	<u>6,141,114</u>

CITY OF BUELLTON
City Council Agenda Staff Report

City Manager Review: MPB
Council Agenda Item No.: 4

To: The Honorable Mayor and City Council

From: Carolyn Galloway-Cooper, Finance Director

Meeting Date: October 23, 2014

Subject: Financial Report for the First Quarter Ending September 30, 2014

BACKGROUND

Four times each year, City staff completes a comprehensive analysis of City finances, including projected fund balances, revenues to date, departmental budgets, expenditures, encumbrances and potential budget adjustments. This financial report summarizes the first quarter of the fiscal years' financial analysis for the General Fund and Enterprise Funds.

The attached report provides an overview of the current economic outlook on the Local, State and National levels; General Fund revenues, expenditures, projected fund balances; and activity in the two Enterprise Funds. Though this information is not audited and does not contain all the usual periodic adjustments, accruals or disclosures, the information does provide a picture of the City's activity and developing financial trends.

FISCAL IMPACT

The Interim financial statement provides the community with an understanding of the financial activity of the City's primary funds.

RECOMMENDATION

That the City Council receives, reviews, and files this First Quarter financial report.

ATTACHMENT

Attachment 1 - Quarterly Financial Report for the period ending September 30, 2014

CITY OF BUELLTON



QUARTERLY FINANCIAL REPORT

First Quarter Ending September 30, 2014

October 23, 2014

Overview

The purpose of this financial report is to provide financial information for the City of Buellton. This report covers the first quarter of fiscal year 2014-15 or the period July 1, 2014 through September 30, 2014. The report will be presented quarterly and concentrates on the General Fund and Enterprise Funds. The quarterly financial report presents the City's financial position, considers economic factors and highlights trends based on the City's budget versus what actually occurred during the period. A discussion of other economic factors provides a means of comparing the local economy against larger economic events that may affect the City of Buellton. This quarterly financial report is a valuable tool to the Council, staff and general public.

US Economy

The United States economic growth appears to have rebounded, resuming a much more normal increase of close to 3% compared to the prior quarter. A revival in business capital spending, combined with moderate growth of housing activity and continued steady growth of consumption, has improved domestic demand. Unemployment has fallen to 6.1%. Thanks to the slow growth of money and credit, inflation remained lower for the quarter. The labor Market Conditions Index, which shows results in terms of change, rose 2.5 points in September, which marked the second-lowest climb of 2014 after a rise of 2 points for August. The Labor Department's most recent jobs report showed that businesses added 248,000 jobs in September and that the jobless rate fell below 6 percent for the first time in more than six years.

State Economy

According to the Bureau of Labor Statistics (BLS), the unemployment rate for California was at 7.4 percent in August. The National Unemployment Rate was lower at 6.1 percent for the same month. There continues to be a water crisis and severe drought for most of the state. According to the State Legislative Analyst's Office, normal property tax growth and increases in school property taxes due to the dissolution of redevelopment agencies helped the State's fiscal condition. In addition, the expiration of the "triple flip" reimbursements (backfill payments to Cities) will play a significant role in keeping the State's expenditure growth below revenues.

City of Buellton

The City's General fund ended the first quarter of the 2014-15 fiscal year with over \$11 Million in fund balance. Over half of that amount is restricted until a legal decision is rendered concerning the City's current lawsuit against the State of California. Over \$3.5 Million include liquid cash reserves available to the City. The General Fund finished the quarter below budgeted revenues but receipts for all categories are expected to meet target by year-end. Expenditures are below budget at 24%. The City's Enterprise funds ended the first quarter showing positive fund balances in both Water and Sewer Funds and revenues exceeded expenditures in the first quarter. Further details will be provided regarding the Enterprise funds later in the first quarter report.

GENERAL FUND

General Fund Balance

The chart below shows that with 25% of the year complete revenues are below projections at 11% while expenditures are just below expected at 24% of appropriations. “Revenue versus budget” gaps are explained in the next paragraph.

General Fund - Fund Balance	Budget	Actual	Percent
Balance, at Start of Year	\$ 12,453,530	\$ 12,096,951	
Revenues *	6,160,441	687,016	11%
Expenditures *	6,141,114	1,463,228	24%
Balance, at End of Year	<u>\$ 12,472,857</u>	<u>\$ 11,320,739</u>	
* Includes Transfers			

The chart below provides summary comparison information on revenues and expenditures for the first quarter ending September 30, 2014 versus the first quarter ending September 30, 2013. Total revenues are higher in the prior year of 2013-14. The major cause of this variance is delayed receipts in the current year for Property tax, Sales tax, Transient Occupancy Tax (TOT) and Franchise Fees. Revenue flows are expected to be on target with budget as the fiscal year elapses. Expenditures are elevated compared to the prior year first quarter of 2014-15. This is due capital activity in the amount of \$76,774 following the purchase of replacement vehicles during the first quarter. In addition, payment delays in the first quarter of the prior year versus fewer delays in the current year’s first quarter resulted in a disproportionate contrast that skewed the comparison. Budgeted expenditures decreased by 3% compared to the prior year and actual expenditures will come in lower than prior year. All is expected to balance out by the end of the fiscal year.

General Fund	2014-15	2013-14	Over (Under)
Revenues:			
Taxes	579,384	897,565	(318,181)
Fees and Permits	4,025	2,450	1,575
Fines and Penalties	6,585	6,099	486
Charges For Current Services	58,769	54,309	4,460
Other Revenues	38,253	53,582	(15,329)
Total Revenues	<u>687,016</u>	<u>1,014,005</u>	<u>(326,989)</u>
Expenditures:			
General Government	1,385,803	977,702	408,101
Capital	77,425	6,372	71,053
Total Expenditures	<u>1,463,228</u>	<u>984,074</u>	<u>479,154</u>

Top Five Revenues

Top Five Revenues	Budget	YTD Actual	Percent
Sales Tax	2,050,000	142,485	7%
TOT	1,600,000	411,611	26%
Property Tax	1,188,000	8,733	1%
MVLF	363,000	-	0%
Franchise Fees	210,000	16,555	8%
Other Revenues	749,441	107,632	14%
Total Revenues	6,160,441	687,016	11%

Sales Tax

Payments are recorded when received and the City receives delayed payments throughout the fiscal year. Sales Tax payments are expected to be on target with budget for the 2014-15 fiscal year. Sales tax is the top revenue source in the General Fund. The City has experienced strong revenue reports from local sales tax and increasing trends are expected.

Transient Occupancy Tax (TOT)

This revenue source is a major component of the City’s General Fund revenue. The City expects TOT revenue streams to meet budgeted levels. Timing of payments caused the first quarter to lag below budget but it will balance out by the end of the fiscal year. Payments for the reporting period are due on the 20th of the following month.

Property Tax

The City’s property tax revenues are received later in the fiscal year at intervals set by the Santa Barbara County Auditor-Controller. Property tax is expected to be on target with budget.

Motor Vehicle License Fees

Payments for 2014-15 are expected to be on course with budget. Payments from the State of California are received intermittently throughout the fiscal year.

Franchise Fees

The majority of the City’s Franchise Fees are collected from MarBorg Industries, the City’s solid waste service provider. Other franchise fees are received from various utilities. This revenue source is expected to meet budget by fiscal year-end but timing delays caused the first quarter to lag.

Top Five Revenues for the City of Buellton’ General Fund are Sales Tax, Property Tax, Transient Occupancy Tax (TOT), Motor Vehicle License Fee (MVLF) and Franchise Fees. These revenues account for almost 90% of total General Fund Revenues.

Expenditures

The chart below summarizes operating costs by department and shows that although some budget units are over budget, overall the General fund is within budget at the end of the first quarter.

Department Expenditures	Budget	YTD Actual	% Expended
City Council	131,110	29,661	23%
City Manager	216,945	51,644	24%
City Clerk	113,020	22,958	20%
City Attorney	125,000	23,519	19%
Non-Departmental	1,054,621	169,092	16%
Finance	298,887	65,687	22%
Police and Fire	1,647,348	615,732	37%
Library	99,741	971	1%
Recreation	502,391	133,053	26%
Street Lights	55,000	9,103	17%
Storm Water	161,600	26,620	16%
Public Works - Parks	247,400	35,460	14%
Public Works - Landscape	85,400	15,456	18%
Public Works - Engineering	85,000	3,650	4%
Public Works - General	669,850	195,147	29%
Planning (Comm Dev)	406,801	65,475	16%
Transfer to CIP Fund 92	241,000	-	0%
Total All Departments	6,141,114	1,463,228	24%

As of September 30, 2014 or 25% of the year expended, the General Fund budget ended at 24% spent. Actual General Fund expenditures were just below \$1.5 Million. Although Police and Fire, Recreation, and Public Works – General ended the year over budget, the General Fund absorbed the overage with numerous departments falling within appropriations and ending the year under-budget. As discussed earlier, the Police and Fire exceeded budget due to a payment for October services made in September. Recreation is slightly overbudget and expected to balance at fiscal year-end. Public Works – General exceeded budget due to the purchase of replacement vehicles as part of the Public Works fleet. Vehicles were purchased in the first quarter in the amount of \$76,774. Because of the positive condition of the other General Fund budget units, there are no budget amendments required this quarter for the General Fund.

Major Expenditure Variances

Expenditures By Type	Budget	YTD Actual	% Expended
Staffing	1,733,904	366,350	21%
Contract Services	2,729,189	755,380	28%
Telecomm and Utilities	239,850	26,129	11%
Supplies and Materials	71,850	18,273	25%
Other Operating Costs	1,261,821	220,321	17%
Minor Capital	104,500	76,774	73%
Total by Type	6,141,114	1,463,228	24%

The chart above shows General Fund operating expenditures by Expenditure Type. With 25% of the year expended as of the first quarter of fiscal year 2014-15, all budget categories are within budget except Contract Services and Minor Capital. Contract Services is slightly over budget because of the timing of contract payments for Sheriff (services in October paid in September). It will be within budget by the end of the fiscal year. Minor Capital is the purchase of replacement vehicles early in the quarter and will not be over budget as the year elapses. The overall General Fund operating expenditures are within budget.

ENTERPRISE FUNDS

The Statement of Revenues and Expenses for the first quarter of Fiscal Year 2014-15 are shown below.

Revenues and Expenses

Enterprise Funds	Water	Wastewater
Revenues		
Charges for Service	403,958	195,252
Interest Income		
Other Revenues	17,352	90,663
Total Revenues	421,310	285,915
Expenses		
Operating	144,155	145,904
Transfers Out/CIP	13,039	6,555
State Water	160,079	-
Total Expenses	317,273	152,459
Profit (Loss)	104,037	133,456

Water Fund

Operating revenues have exceeded operating expenditures by over \$117,000 (excludes Capital Improvement Projects) in the first quarter of Fiscal Year 2014-15. The Water fund utilizes reserves to fund Capital Improvement projects (CIPs) which amount to about \$13,000 expended as of September 30, 2014. The total CIP budget for fiscal year 2014-15 includes Reservoirs 1 & 2 Improvements, Water Treatment Plant Facilities Improvements and Water Treatment Plant and Pump Booster Reliability Project. Budgeted appropriations for CIPs amount to approximately \$860,000. A water rate study is underway to provide direction regarding the need for future rate increases. The Water Fund ended the first quarter with approximately \$1.9 Million in reserves.

Wastewater Fund

Operating revenues exceeded operating expenditures by about \$140,000 (excludes Capital Improvement Projects) in the first quarter of Fiscal Year 2014-15. The Sewer fund utilizes reserves to fund Capital Improvement projects (CIPs) which amount to about \$6,500 expended as of September 30, 2014. The total CIP budget for fiscal year 2014-15 includes Sewer Collection System (CCTV) Project and Wastewater Treatment Plant Facilities Improvements. Total budgeted appropriations for CIPs amount to \$100,000. A sewer rate study is underway to provide direction regarding the need for future rate increases. The Sewer Fund ended the first quarter with almost \$1.4 Million in reserves.

CITY OF BUELLTON
City Council Agenda Staff Report

City Manager Review: MPB
Council Agenda Item No.: 5

To: The Honorable Mayor and City Council

From: Marc Bierdzinski, City Manager

Meeting Date: October 23, 2014

Subject: Extension of Existing Contract with Metro Ventures Ltd. for Irma L. Tucker to Provide Professional Planning Services

BACKGROUND

It has been 6 months since we hired Irma L. Tucker, President of Metro Ventures, for professional planning services. This has helped ease the workload on planning and Ms. Tucker has been an excellent fit for the City. Projects she has worked on include:

- Preparation of the draft Housing Element along with Assistant Planner Perez
- Processing of the Hampton Inn Development Plan (going to Planning Commission on October 16)
- Assisted Assistant Planner Perez with the Village Senior and Village Townhomes project
- Assisted contract planner Rickenbach on the Live Oak Lanes project
- Fielded planning questions at the counter and over the phone
- Worked with Public Works Director Hess on forming the “green” team committee and with a trail fee

The planning workload is continuing so staff would like to extend the contract with Irma Tucker for another 6 months. Anticipated projects include:

- Completion of the Housing Element
- Plancheck of the Hampton Inn project for building permits
- Three major projects have the potential for submittal
- Participation on the “green” team committee
- Continuing to answer planning questions at the counter and on the phone
- Part of the project team for the Avenue of Flags Specific Plan/Development Opportunity Reserve project (assuming City Council go ahead)

The current contract is for 520 hours (20 hours per week) at \$75 an hour for a not-to-exceed cost of \$39,000. Based on the excellent service we have received and the fact that Ms. Tucker books hotel nights when working at the City (and does not bill the City), staff is requesting an hourly increase to \$77 an hour. Therefore, the extended contract would be for 520 hours (20 hours per week) at \$77 an hour for a not-to-exceed cost of \$40,040. Any additional extension of the contract would also be brought back to the City Council for authorization.

This is a contract position and does not include any benefits.

FISCAL IMPACT

The City is still seeing a cost savings of not having a full time Planning Director while still having a contract planner on staff. Planning expenditures through 25% of Fiscal Year 14-15 are at 16%. This is due in part to approximately 25% to 50% of her hours being charged to private development projects in which the city is reimbursed.

The \$40,040 can continue to be accommodated via budget transfers from salaries to contract services in Fiscal Year 14-15.

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to extend the existing contract for professional planning services with Metro Ventures Ltd. for a period of 6 months.

CITY OF BUELLTON
City Council Agenda Staff Report

City Manager Review: MPB
Council Agenda Item No.: 6

To: The Honorable Mayor and City Council

From: Marc P. Bierdzinski, City Manager

Meeting Date: October 23, 2014

Subject: Consideration of Two Temporary Use Permits for Amplified Music at Figueroa Mountain Brewing Company

BACKGROUND

The Figueroa Mountain Brewing Company site at the end of Industrial Way includes an outdoor activity area approved through a development plan. The outdoor area includes seating, a bocce court, and a stage for acoustic music. The City issued a Temporary Use Permit for amplified music in September 2014 for an event on September 27, 2014. Three minor complaints were received and addressed by Figueroa's acoustical engineer. This included lowering the level of the music. Our Code Enforcement Officer Tom Walton took decibel readings in the Rancho de Maria neighborhood and the noise levels did not exceed City standards.

Figueroa Mountain Brewing Company has submitted two Temporary Use Permit (TUP) applications for October 25, 2014 (Attachment 1), and November 29, 2014 (Attachment 2).

October 25, 2014 Event

The October 25, 2014 event is a one-time event with amplified music as a fundraiser for the Los Padres Forest Watch. The event is proposed on Saturday, October 25, 2014, between the hours of 11:30 a.m. and 4:00 p.m. The event would also include the area east of the existing outdoor area with food trucks and brewers. Approximately 350 people are expected. All appropriate permits from other agencies have been obtained. Noise mitigation measures will be in place. A letter has been sent to the adjoining residential and industrial property owners.

November 29, 2014 Event

The November 29, 2014 event is Figueroa's 4th anniversary with amplified music. The event is proposed on Saturday, November 29, 2014, between the hours of 1:00 p.m. and 9:00 p.m. All activity would be in the building and the existing outdoor area. All appropriate permits from other agencies have been obtained. Noise mitigation will be in place. A letter has been sent to the adjoining residential and industrial property owners.

The City's Code Enforcement Officer will monitor the noise during both events.

The City Council may choose to approve or deny the requests for amplified music, or require conditions such as acceptable hours for the use of amplified sound.

FISCAL IMPACT

This item in itself will have no fiscal impact on the City.

RECOMMENDATION

That the City Council consider approval of two Temporary Use Permits to allow the use of amplified sound by Figueroa Mountain Brewing Company on Saturday, October 25, 2014, from 11:30 a.m. to 4:00 p.m., and November 29, 2014, from 1 p.m. to 9:00 p.m.

ATTACHMENTS

Attachment 1 – October 25, 2014, Temporary Use Permit Application

Attachment 2 – November 29, 2014, Temporary Use Permit Application



PROJECT APPLICATION FORM
CITY OF BUELLTON
PLANNING DEPARTMENT

PROJECT LOCATION 45 Industrial Way, Buellton, CA 93427 (Address)

SITE ZONING M SITE ASSESSOR'S PARCEL NO. 099-690-087

PROJECT DESCRIPTION Fundraiser for Los Padres Forest Watch
Real Ale Invitational - 1 Day - October 25th 11:30 - 4 pm
(Attach additional sheets if necessary) 350 Attendees

PERMITS AND APPROVAL REQUESTED

- ANNEXATION
GENERAL PLAN AMENDMENT/REZONING
SPECIFIC PLAN
ZONING ORDINANCE TEXT AMENDMENT
FINAL DEVELOPMENT PLAN
PRELIMINARY DEVELOPMENT PLAN
DEVELOPMENT PLAN MODIFICATION
CONDITIONAL USE PERMIT
MINOR USE PERMIT
USE PERMIT MODIFICATION
LOT LINE ADJUSTMENT
SECONDARY DWELLING UNIT
VARIANCE
SUBDIVISION (TENTATIVE TRACT MAP)
SUBDIVISION (TENTATIVE PARCEL MAP)
CONDOMINIUM CONVERSION
ZONING CLEARANCE
CONCEPTUAL REVIEW
LAND USE EXEMPTION
SIGN APPROVAL
TEMPORARY USE PERMIT/SPECIAL EVENTS
APPEAL
OTHER
HOME OCCUPATION

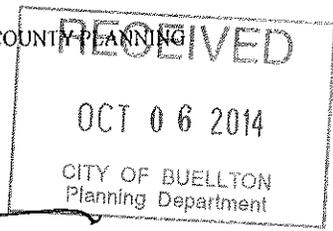
The City charges 100% of its costs of processing to the applicant. Prior to receiving any permits, applicant shall reimburse City for all processing costs. The City will review the application for completeness and will notify the applicant within 30 days of submittal of a complete or incomplete application.

AUTHORIZATION: I, John Persson, HEREBY AUTHORIZE Jaime Dietchoter TO ACT AS MY AGENT AND TO BIND ME IN ALL MATTERS CONCERNING THIS APPLICATION.

PROPERTY OWNER CONTACT INFORMATION
Name Santa Ynez Valley Properties (Please Print)
Phone 905 688-6519
Address PO Box 65 Buellton, CA 93427
E-Mail syvproperties@outlook.com
Property Owner Signature (Required) 10/6/14 Date

I DECLARE THAT I AM THE APPLICANT, OWNER, LESSEE, OR ATTORNEY OF THE OWNER, AGENT, OR PERSON WITH THE POWER OF ATTORNEY FROM THE OWNER OF THE ABOVE PROPERTY INVOLVED IN THIS APPLICATION, AND THAT THE INFORMATION CONTAINED IN THIS APPLICATION IS TRUE AND ACCURATE.
THIS DECLARATION IS ALSO INTENDED TO APPLY TO ALL TRANSACTIONS WITH THE SANTA BARBARA COUNTY PLANNING AND DEVELOPMENT DEPARTMENT RELATED TO BUILDING PERMIT ISSUANCE.

AGENT CONTACT INFORMATION
Name Jaime Dietchoter (Please Print)
Phone 905-826-9275
Address
E-Mail dietchoter@icloud.com



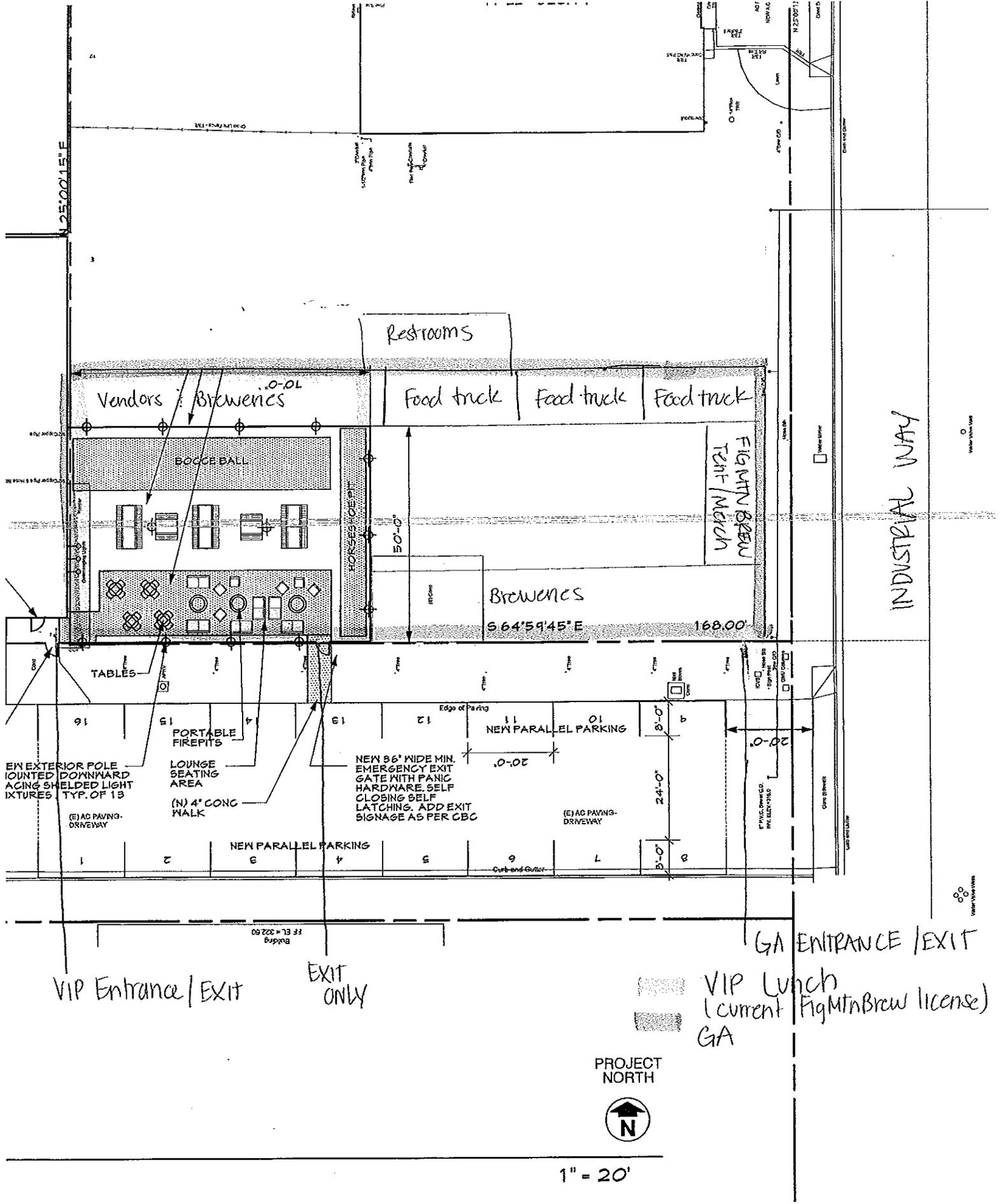
Applicant Signature Date

Please see important information regarding Disability Access Laws on the back of this form.

OFFICIAL USE ONLY
Application Fee/ Deposit Received: 10/6/14 CK# 9663
Payment Processing Agreement Recd: Page 34 of 157
C&D Application Received: -



Imagery ©2014 DigitalGlobe, USDA Farm Service Agency, Map data ©2014 Google 100 ft



INDUSTRIAL WAY

GA ENTRANCE / EXIT
 VIP Lunch
 (current FigMntnBrew license)
 GA

PROJECT NORTH



1" = 20'



Wanting to bring more exposure for cask beer to the Central Coast, the Los Padres Forest Watch and Figueroa Mountain Brewing Co. have teamed up to host the Real Ale Invitational on Saturday, October 25, 2014 from 1:00 to 4:00 PM. Over 18 breweries will be showcasing their own styles of real ale at Figueroa Mountain Brewing Company's flagship brewery and taproom in Buellton, California.

For those beer lovers that want a more intimate experience paired with food, a limited number of tickets will be sold for a Real Ale Lunch prior to the Invitational at 11:30 AM to 1:00 PM. Meet the cask masters who have perfected the skill of brewing real ale while enjoying a 4-course meal prepared by Beto Huizar, Executive Chef of Beto's Place, a new restaurant slated to open in Fig Mtn Brew's Buellton taproom later this year.

There will be a live acoustic performance from Ray Fortune during our V.I.P. lunch followed by DJ Slecta Shaggy during General Admission.

Sound Abatement Proposal

Tyler Storey / Sound Engineer / Longhorn Productions

Description of Event: Fundraiser for Los Padres Forest Watch; Real Ale Invitational

Date of Event: Saturday, October 25th, 2014

Hours of Event: 11:30am -4pm

Recommendations based on 4 separate site surveys during a 3 month period:

-Orientation of stage not the issue, the amplification direction is the issue to be abated. Band direction is irrelevant. Recommendation to keep stage where it is currently and abate accordingly.

-Amplification suggestion is to use "inner projection" where the speakers are focused at angles inward in to a smaller audience as opposed to "outward or linear projection" that can carry for long distances. This is the most important part of outdoor amplification.

-The stage will have overhead retractable cover deflecting upward sound, and the floor and sidewalls will have absorptive material to deaden reflection of sound downward and outward.

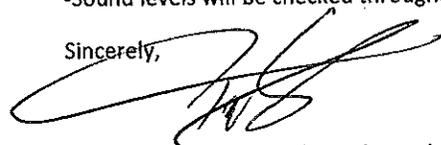
-The speakers used will not need to be wrapped with material, they will be directional speakers that are used for "inner projection"

-Acoustic banner will be placed on building to absorb reflection directly behind band

-I, Tyler Storey, will be on-site to enforce decibel level restrictions and have cell phone available: 805.245.5340

-Sound levels will be checked throughout the event at multiple housing development to ensure compliance.

Sincerely,



Tyler Storey- Sound Engineer Acoustician

2001- Present- Longhorn Productions

Sound Engineer

Acoustician

Specializing in Sound Abatement, Baffling, and Acoustics

(Poza Saloon, Santa Barbara County Bowl, Hollywood Bowl, Chumash Casino) Numerous other Outdoor And Indoor Venues

2000- Present - Knight Broadcasting KRAZ 105.9 (Krazy Country) The Mix KSYV 96.7, AM 1440 and AM 1410.

On Air Personality

Production

2010-Present- Range Radio

Program Director

Sound Engineer

Production

Sound Abatement Proposal: RECAP

Tyler Storey / Sound Engineer / Longhorn Productions

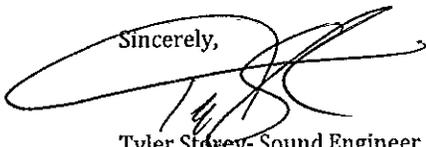
Description of Event: Fundraiser for Los Olivos School District

Date of Event: Saturday, September 27, 2014

Hours of Event: 12:00 noon – 6pm

The "inner projection" orientation the speakers and the use of absorptive material that lined the cover, back and sidewalls and floor, kept the decibel level under the restrictions. Maintaining and adjusting different frequencies throughout the day kept the live sound in the immediate area and dissipated before it could travel. Sound levels were checked throughout the event at multiple housing developments and we ensure compliance.. All measures were taken to suppress all noise pollution to surrounding neighborhoods and we did not receive any complaints. We have the ability to maintain the sound and prevent it from carrying at all times for all future events.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tyler Storey', written over a large, stylized circular flourish.

Tyler Storey- Sound Engineer Acoustician



Dear Buellton Resident,

This letter is to inform you that a fundraiser for the Los Padres Forest Watch (non-profit) will be proposed for October 25th from 11:30am – 4pm at 45 Industrial Way, Buellton. There are plans for live music playing outside during that time period. We are writing to inform you that we will be taking the necessary steps to stay within the City of Buellton requirements for the Temporary Use Permit and utilizing all sound abatement tools at our disposal. A sound technician has been hired to not only engineer the event so that we abate excess sound, but to also monitor the event from various locations throughout the City of Buellton with sound meters.

If you have any questions or concerns please contact us at:

Ashley Wedel –Event Assistant: 805.694.2252 ext.4

Danielle Byers—Event Manager: 619.993.7981

Tyler—Sound Technician: 805.245.5340



Dear Industrial Way Tennant,

This letter is to inform you that a fundraiser for the Los Padres Forest Watch (non-profit) will be proposed for October 25th from 11:30am – 4pm at 45 Industrial Way, Buellton. We are expecting approximately 350 attendees. We are writing to inform you of the additional people in the area as well as ask permission for the use of additional parking at your location if this does not conflict with your hours of operation.

If you have any questions or concerns please contact us at:

Ashley Wedel –Event Assistant: 805.694.2252 ext.4

Danielle Byers—Event Manager 619.993.7981



PROJECT APPLICATION FORM
CITY OF BUELLTON
PLANNING DEPARTMENT

PROJECT LOCATION 45 Industrial Way Buellton, CA 93427
(Address)

SITE ZONING M SITE ASSESSOR'S PARCEL NO. 099-690-037

PROJECT DESCRIPTION November 29, 2014

4th Anniversary - 1 Day - 1-9PM NOV 29th
(Attach additional sheets if necessary)

PERMITS AND APPROVAL REQUESTED

OCCUPANCY 100

- ANNEXATION
GENERAL PLAN AMENDMENT/REZONING
SPECIFIC PLAN
ZONING ORDINANCE TEXT AMENDMENT
FINAL DEVELOPMENT PLAN
PRELIMINARY DEVELOPMENT PLAN
DEVELOPMENT PLAN MODIFICATION
CONDITIONAL USE PERMIT
MINOR USE PERMIT
USE PERMIT MODIFICATION
LOT LINE ADJUSTMENT
SECONDARY DWELLING UNIT

- VARIANCE
SUBDIVISION (TENTATIVE TRACT MAP)
SUBDIVISION (TENTATIVE PARCEL MAP)
CONDOMINIUM CONVERSION
ZONING CLEARANCE
CONCEPTUAL REVIEW
LAND USE EXEMPTION
SIGN APPROVAL
TEMPORARY USE PERMIT/SPECIAL EVENTS
APPEAL
OTHER
HOME OCCUPATION

The City charges 100% of its costs of processing to the applicant. Prior to receiving any permits, applicant shall reimburse City for all processing costs. The City will review the application for completeness and will notify the applicant within 30 days of submittal of a complete or incomplete application.

AUTHORIZATION: I, John Pearson, HEREBY AUTHORIZE Jaime Dutenhofer TO ACT AS MY AGENT AND TO BIND ME IN ALL MATTERS CONCERNING THIS APPLICATION.

PROPERTY OWNER CONTACT INFORMATION

Name Santa Ynez Valley Properties (Please Print)
Phone 805-688-6899
Address PO Box 65
Buellton CA 93427
E-Mail syvproperties@outlook.com

Property Owner Signature (Required)
Date 10/6/14

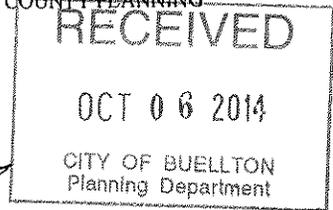
I DECLARE THAT I AM THE APPLICANT, OWNER, LESSEE, OR ATTORNEY OF THE OWNER, AGENT, OR PERSON WITH THE POWER OF ATTORNEY FROM THE OWNER OF THE ABOVE PROPERTY INVOLVED IN THIS APPLICATION, AND THAT THE INFORMATION CONTAINED IN THIS APPLICATION IS TRUE AND ACCURATE.

[X] THIS DECLARATION IS ALSO INTENDED TO APPLY TO ALL TRANSACTIONS WITH THE SANTA BARBARA COUNTY PLANNING AND DEVELOPMENT DEPARTMENT RELATED TO BUILDING PERMIT ISSUANCE.

AGENT CONTACT INFORMATION

Name Jaime Dutenhofer (Please Print)
Phone 805-896-9275
Address
E-Mail dutenhofer@icloud.com

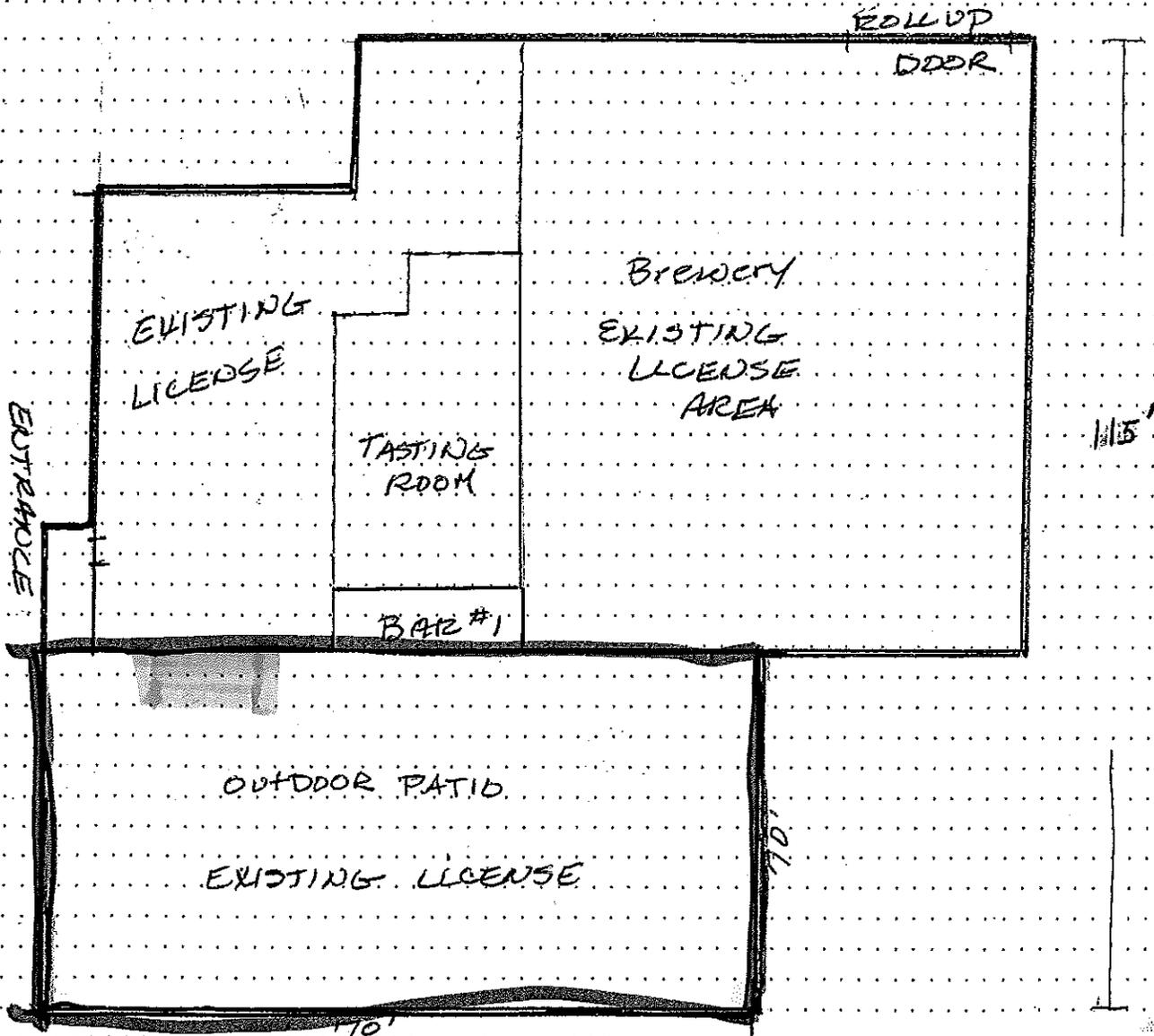
Applicant Signature
Date



Please see important information regarding Disability Access Laws on the back of this form.

OFFICIAL USE ONLY
Application Fee/ Deposit Received: 10/6/14
Payment Processing Agreement Recd:
C&D Application Received:
Page 42 of 157
ck# 9441 944345





PAGE 1 OF 2

INDUSTRIAL WAY

licensed patio

stage

Sound Abatement Proposal

Tyler Storey / Sound Engineer / Longhorn Productions

Description of Event: Figueroa Mountain Brewing Co

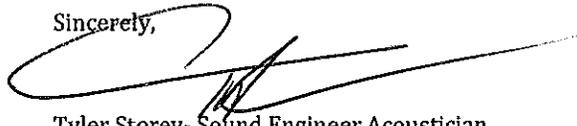
Date of Event: Saturday, November 29th, 2014

Hours of Event: 1:00pm -9pm

Recommendations based on 4 separate site surveys during a 3 month period:

- Orientation of stage not the issue, the amplification direction is the issue to be abated. Band direction is irrelevant. Recommendation to keep stage where it is currently and abate accordingly.
- Amplification suggestion is to use "inner projection" where the speakers are focused at angles inward in to a smaller audience as opposed to "outward or linear projection" that can carry for long distances. This is the most important part of outdoor amplification.
- The stage will have overhead retractable cover deflecting upward sound, and the floor and sidewalls will have absorptive material to deaden reflection of sound downward and outward.
- The speakers used will not need to be wrapped with material, they will be directional speakers that are used for "inner projection"
- Acoustic banner will be placed on building to absorb reflection directly behind band
- I, Tyler Storey, will be on-site to enforce decibel level restrictions and have cell phone available:
805.245.5340
- Sound levels will be checked throughout the event at multiple housing development to ensure compliance.

Sincerely,



Tyler Storey- Sound Engineer Acoustician

2001- Present- Longhorn Productions

Sound Engineer

Acoustician

Specializing in Sound Abatement, Baffling, and Acoustics

(Poza Saloon, Santa Barbara County Bowl, Hollywood Bowl, Chumash Casino) Numerous other Outdoor And Indoor Venues

2000- Present - Knight Broadcasting KRAZ 105.9 (Krazy Country) The Mix KSYV 96.7, AM 1440 and AM 1410.

On Air Personality

Production

2010-Present- Range Radio

Program Director

Sound Engineer

Production



Dear Buellton Resident,

This letter is to inform you that the Fourth Anniversary of Figueroa Mountain Brewing Co will be proposed for November 29th from 1pm – 9pm at 45 Industrial Way, Buellton. There are plans for live music playing outside during that time period. We are writing to inform you that we will be taking the necessary steps to stay within the City of Buellton requirements for the Temporary Use Permit and utilizing all sound abatement tools at our disposal. A sound technician has been hired to not only engineer the event so that we abate excess sound, but to also monitor the event from various locations throughout the City of Buellton with sound meters.

If you have any questions or concerns please contact us at:

Ashley Wedel –Event Assistant: 805.694.2252 ext.4

Danielle Byers—Event Manager: 619.993.7981

Tyler—Sound Technician: 805.245.5340

CITY OF BUELLTON
City Council Agenda Staff Report

City Manager Review: MPB
Council Agenda Item No.: 7

To: The Honorable Mayor and City Council

From: Economic Development Task Force
By: Marc P. Bierdzinski, City Manager

Meeting Date: October 23, 2014

Subject: Discussion Regarding Implementation of Economic Development Strategies by Kosmont Companies

BACKGROUND

The Economic Development Task Force and Ken Hira and Joe Dieguez from the Kosmont Companies met to discuss methods to implement and promote economic development in the City. The two main items that are being recommended for implementation are an Avenue of Flags Specific Plan/Development Opportunity Reserve (DOR) and a Business Improvement District (BID) along Industrial Way. The April 2014 Kosmont Implementation Plan is included as Attachment 1.

Kosmont will be in attendance at the meeting to discuss these concepts along with providing information regarding fast food restaurants and restaurants in general.

Avenue of Flags Specific Plan/Development Opportunity Reserve (DOR)

The main economic development method recommended by the task force and Kosmont would be making the Avenue of Flags attractive for developers. This can be achieved by preparation of a Specific Plan with the inclusion of a DOR. Not only does this address economic development but it also implements the goals and objectives of the vision plan for the Avenue of Flags.

The Specific Plan would address the alignment of the Avenue, the allowed uses within the Specific Plan, and development of a form based code. The parking district concept could also be included. Use of the City medians could also be leveraged by providing development areas and parking areas that could generate revenue for the City.

The DOR is an incentive program for potential developers that would be part of the Specific Plan. The DOR concept is simple: if certain voluntary exactions are provided to the City then certain development incentives are given for development of the property. For example, if the developer agrees to build an off-site public parking lot then the parking requirements on the property would be reduced thereby giving more developable area.

Kosmont and the task force came up with the following voluntary exactions and incentives. The voluntary exactions are items that the City could not condition the project to provide because there is no nexus between the development of a particular property and the exaction.

Possible Voluntary Exactions

- Construction of restrooms (#1 priority)
- Construction of an off-site public parking lot (#1 priority)
- Payment into, or creation of, a parking district (#1 priority)
- Construct off-site public improvements (curb, gutter, sidewalk, street widening)(#2 priority)
- Payment of an off-site trail fee
- Payment of off-site water and wastewater fees
- Installation of public art
- Payment of a library fee
- Adding additional green building amenities

Possible Incentives

The CR zone has no maximum Floor Area Ratio (FAR) or site coverage so the following can be used as incentives.

- Increase building heights from 35 to 50 feet
- Reduce on-site parking requirements
- Increase mixed use residential density from 10 units per acre to 20
- Reduce the rear yard setbacks
- Allow land uses not allowed in the CR zone, such as 100% industrial
- Subsidize the project by reducing application fees
- Reducing traffic fees of off-site public improvements are provided

If this idea moves forward the actual details would be worked out through the Specific Plan process. This would include how much incentives are given for a certain number of voluntary exactions. Plan preparation would include the Planning Commission, property owners, and the public.

Staff proposes preparing this Specific Plan/DOR with existing staff and consultants, including Kosmont (already under contract and budgeted), Angela Perez and Irma Tucker, and contract planner John Rickenbach (on City contract and preparer of the Corridor study for the Avenue).

If the City Council authorizes staff to work on this project, staff will return to the City Council with a budget and time line. Staff would then ask the City Council to adjust the City budget accordingly based on the cost estimate developed.

Business Improvement District

The property owners along Industrial Way could form a BID, similar in nature to the BID formed for the valley hoteliers. The BID could help fund and maintain the new street lights and the trail system in the area. The formation of the BID would require approval of the property owners.

If this area becomes a destination for entertainment as well as wine tasting etc., then a BID would make sense and would benefit the owners and businesses.

If the City Council would like to investigate this concept further then a letter can be sent to the property owners. Staff will work with Kosmont to develop the letter.

Fast Food Discussion

Kosmont will provide their perspective on the restaurant industry and answer questions.

FISCAL IMPACTS

Unknown at this time. If authorized to move forward, staff will develop a budget for the project and bring the budget back to the City Council.

RECOMMENDATION

That the City Council consider the proposed economic development implementation concepts and direct staff to:

1. Prepare a budget and time line for preparation of an Avenue of Flags Specific Plan/DOR.
2. Draft a letter to property owners along Industrial Way describing the BID concept and the benefits to the owners for participation.

ATTACHMENT

Attachment 1 – April 2014 Implementation Plan



Economic Development Implementation Plan

April 2014

Prepared By:
Kosmont Companies

- **Review of Economic Development Strategy
Summary of Findings**
- **E.D. Implementation Plan**
 - a) Key Steps for Implementation
 - b) Financing & Incentives Strategy

Review of E.D. Strategy Summary of Findings

Summary of Findings

Demographics & Employment

- Older, active local population with high HH incomes (mostly white)
- Significant visitor population and employees coming from neighboring Santa Barbara County jurisdictions and other areas
- Employment concentrated within accommodation and food services, manufacturing, retail trade, and agriculture

Market Demand – Households & Industry Growth

- Owner households projected to increase faster than renter households within City, and renter households projected to **decrease** within the larger trade area
- Industries tied to population growth are projected to **grow** within the County, including health care, retail trade, and accommodation and food services
- Industries dependent on technology and automation are projected to **contract** within the County, including manufacturing, transportation, and warehousing

Retail & Industry Retention & Recruitment

- City performs well relative to neighboring jurisdictions in terms of taxable retail sales per capita and capture of resident and non-resident spending (i.e. surplus)
- Higher performing sales categories include **automotive-related**, **restaurant**, and **hotel-related** sales, while lower performing retail categories include **general merchandise** and other **consumer goods**
- **Leverage community strengths** to attract quality retail tenants to identified Opportunity Sites within City to capture spending in current void categories, including casual restaurants, household furnishings, home improvement, clothing/apparel, discount department stores, dollar stores, and others

Economic Development without Redevelopment

- Dissolution of redevelopment agencies will continue to have a negative effect on most California Cities and impact to health of general fund
- Alternative economic tools should be explored for Buellton to retain and improve tax base and facilitate potential public-private transactions

Overview of Financing, Incentives & Other Economic Development Tools

Local Level

- Site-specific tax revenue (“SSTR”) pledges
- Impact fee reductions / waivers / deferrals
- Development opportunity reserve (“DOR”)
- Tax-exempt revenue & utility bonds
- Lease-leaseback financing
- Ground leases
- Operating covenants

State & Federal Level

- Small Business Administration (SBA) loans
- U.S. Economic Development Administration (EDA) grants
- New Market Tax Credits (NMTCs)
- CA Infrastructure Bank (I-Bank) loans
- EB-5 Immigrant Investment

Economic Development Implementation Plan

- a) **Key Steps for Implementation**
- b) **Financing & Incentives Strategy**

Key Steps for Implementation

- Based on evaluated opportunity sites and compatible retailer voids, City & Consultant Team should outreach to targeted retailers and developers:
 - **Refine and distribute marketing collateral material to promote Opportunity Sites**
 - **Refine targeted list of retailers for outreach**
 - **Continued outreach to targeted retailers (incl. email outreach, conference calls, meetings / site tours, conference participation at ICSC and other events)**
- Case-by-case preliminary analysis of fiscal impacts and economic benefits (e.g. fiscal revenue and job creation) of key potential projects
- Evaluation of financing, incentives, and other economic development tools on a transactional basis (e.g. sales tax, TOT pledges)

Initial Targeted Retailer List

Retailer	Category	Closest Location to City	Current Locations	Min SF	Max SF	New Locations Planned Next Year	New Locations Planned Next 2 Years
TJ Maxx	Discount Dept. Stores	24.51 Mi NW	956	25,000	30,000	10	20
Dollar General	Dollar Stores	82.00 Mi NE	10,000	7,500	10,000	300	600
Fitness 19	Fitness	42.00 Mi NW	1,500	3,000	5,000	125	250
Vons	Grocery Stores	15.27 Mi NW	325	42,000	55,000		
True Value	Home Improvement	23.25 Mi SE	4,000	5,000	25,000		
Petco	Pet Stores	15.19 Mi NW	1,000	10,000	15,000	50	100
Panera Bread	Restaurants-Bakery	25.00 Mi NW	1,493	3,500	4,500	100	200
Applebee's	Restaurants-Casual	25.50 Mi NW	2,000	5,000	6,000	5	10
Chili's	Restaurants-Casual	22.50 Mi SE	1,526	3,900	5,500		
Chipotle	Restaurants-Casual	22.56 Mi SE	1,095	1,800	2,800	165	330
Denny's	Restaurants-Casual	24.40 Mi SE	1,600	4,000	5,100	75	150
IHOP	Restaurants-Casual	26.05 Mi SE	1,504	4,000	7,000	5	10
Olive Garden	Restaurants-Casual	25.72 Mi NW	743	6,400	7,500	40	80
Outback Steakhouse	Restaurants-Casual	24.35 Mi SE	900	5,000	6,500	10	20
Dunkin Donuts	Restaurants-Coffee/Donuts	220.0 Mi SE	10,500	1,200	2,600	330	650
In-N-Out	Restaurants-Fast Food	25.60 Mi NW	267	3,000	4,000	14	28
Baskin-Robbins	Restaurants-Ice Cream	15.17 Mi NW	2,700	1,000	1,500	200	400
Ben & Jerry's	Restaurants-Ice Cream	31.38 Mi SE	400	100	1,500	10	20
Pinkberry	Restaurants-Ice Cream	31.31 Mi SE	115	1,000	2,000	5	10
Play It Again Sports	Sporting Goods	24.78 Mi NW	350	2,800	3,500		
Smart & Final	Wholesale	25.68 Mi NW	282	20,000	35,000	10	20

Note: Targeted retailers based primarily on retail categories illustrating leakage from City, retailer voids in local trade area, retailer demographic preferences, and recent expansion activity

Page 58 of 157

Source: Sites USA, Kosmont Companies (2013)

Marketing Flyers

City of Buellton

Retail Development Opportunity

NWC McMurray Road & Damassa Road



~3.39 Acres Owned by Rancho Jonata Living Trust

- FEATURES:**
- Adjacent to Highway 101 with on-ramp and off-ramp access
 - Excellent freeway visibility
 - Commercial zoning
 - Traffic counts (2012): 28,600 AADT Hwy 101 & Damassa Rd

DEMOGRAPHICS (ESRI):

2012	City	10 Miles	20 Miles	30 Miles
Population	4,867	21,124	78,405	335,079
Households	1,784	8,189	26,889	109,094
Avg. HH Inc.	\$79,240	\$93,107	\$72,259	\$73,793

CONTACT US FOR A TRADE AREA TOUR:

Ken K. Hira
Senior Vice President
Kosmont Companies
(949) 226-0288
khira@kosmont.com

Kathy Vreeland
Executive Director
Buellton Chamber of Commerce
(805) 688-7829
kathy@buellton.org

Do not rely on any measurements or placement of any improvements depicted or shown herein, as they are estimates only. The information shown here is reliable. While we do not doubt its accuracy, we have not verified the data and make no guarantee, warranty or representation whatsoever. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this information to you depends on tax and other factors, which should be evaluated by your tax, financial and legal advisors. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs. Development entitlements subject to City approval.



City of Buellton

Retail Tenant Opportunity

SEC Highway 246 and McMurray Road (Buellton Town Center)



4,000 SF Building Owned by Alan Porter (former Blockbuster)

Highway 246 and McMurray Road
Shored shopping center
(former Blockbuster)
40,633 AADT Hwy 101 & Hwy 246

10 Miles	20 Miles	30 Miles
21,124	78,405	335,079
8,189	26,889	109,094
\$93,107	\$72,259	\$73,793

AREA TOUR:

Kathy Vreeland
Executive Director
Buellton Chamber of Commerce
(805) 688-7829
kathy@buellton.org

Do not rely on any measurements or placement of any improvements depicted or shown herein, as they are estimates only. The information shown here has been obtained from sources believed to be reliable. While we do not doubt its accuracy, we have not verified the data and make no guarantee, warranty or representation whatsoever. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this information to you depends on tax and other factors, which should be evaluated by your tax, financial and legal advisors. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs. Development entitlements subject to City approval.



City of Buellton

Tenant/Redevelopment Opportunity

McMurray Road North of Highway 246



~0.56 Acres / 5,000 SF Building Owned by Motel 6 (former Baker's Square)

- FEATURES:**
- Strong intersection at Highway 246 and McMurray Road
 - Directly adjacent to existing robust retail area
 - Commercial zoning with freeway signage
 - Suitable for restaurants pad user (5,000 SF building former Baker's Square)
 - Traffic counts (2012): 40,633 AADT Hwy 101 & Hwy 246

DEMOGRAPHICS (ESRI):

2012	City	10 Miles	20 Miles	30 Miles
Population	4,867	21,124	78,405	335,079
Households	1,784	8,189	26,889	109,094
Avg. HH Inc.	\$79,240	\$93,107	\$72,259	\$73,793

CONTACT US FOR A TRADE AREA TOUR:

Ken K. Hira
Senior Vice President
Kosmont Companies
(949) 226-0288
khira@kosmont.com

Kathy Vreeland
Executive Director
Buellton Chamber of Commerce
(805) 688-7829
kathy@buellton.org

Do not rely on any measurements or placement of any improvements depicted or shown herein, as they are estimates only. The information shown here has been obtained from sources believed to be reliable. While we do not doubt its accuracy, we have not verified the data and make no guarantee, warranty or representation whatsoever. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this information to you depends on tax and other factors, which should be evaluated by your tax, financial and legal advisors. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs. Development entitlements subject to City approval.



Outreach in Progress

Retailers / Developers / Brokers

- CBRE (Retail Broker & Crossroads Development Broker)
- Chick-Fil-A
- Chipotle Mexican Grille
- Dunkin Donuts / Baskin Robins
- Falcon Capital
- Former Baker Square Building Brokers
- In N Out
- Panera Bread (Broker)

Feedback / Progress Highlights

- Introductory discussions and meetings at ICSC Western Division Conference in San Diego (Sept 2013), Monterey Idea Exchange (March 2014) with retailers, developers & brokers
- Initial retailer interest in various sites within City
- Cooperation on planned / future potential development within City and related incentives / financing

ICSC 2014 Calendar of Events

Date	Event	Location
February 5, 2014	Southern California Idea Exchange	Los Angeles, CA
March 12-13, 2014	Monterey Idea Exchange	Monterey, CA
May 18-20, 2014	RECon Real Estate Convention	Las Vegas, NV
October 1-2, 2014	Western Division Conference	San Diego, CA

Financing & Incentives Strategy

Review of California in 2014 Q1

- Unemployment still 5th highest in U.S. with 1.6 mil out of work
- **State unemployment very uneven: 5% in Marin Co; 26% Imperial**
- Close to 25% of Californians live below the poverty line
- **Cities distracted by RDA dissolution activity**
- Enterprise Zones terminated in 2013, replaced by AB93
- **California remains high cost & unfriendly to business**
- Pensions remain underfunded with no practical solution in sight
- **State is “Not Focused” on Local Government**
 - Majority of Economic Development Bills died or vetoed
 - CA attempting to replace tax increment loss with less potent tax credits

RDA “lite”: New State Tools & Legislation (2014)

State has added new ED Tax Credit programs – *limited in scope*:

- **Sales & Use Tax Exemption / Manufacturing Equipment**
 - Existing sales tax credit for businesses expanded to *statewide* sales tax exemption on purchase of manufacturing or R&D equipment
 - Businesses allowed to exclude the first \$200 million equipment purchases from state share of sales tax (4.19%) from 7/1/14 through 6/30/22

- **Investment Incentive (attraction/retention credit)**
 - Businesses compete for tax credits based on # of jobs to be created or retained
 - Approval of any incentive by a five member committee composed Treasurer’s office, Department of Finance, GO-Biz, the CA Senate and CA Assembly
 - Approved credits may be recaptured if a business fails to fulfill contract

- **Hiring Credit**
 - For businesses in census tracts with top 25% in unemployment & poverty
 - Credit available for those who show a net increase in jobs
 - Equals 35 percent of wages between 1.5 - 3.5 times minimum wage for five years

Post-RDA Economic Development Tools

Cities have 5 BASIC TOOLS for Public Private Projects



Theses tools often work best when used together

Post-RDA Tools – Real Estate & Property



Real Estate as an E.D. Resource

Local Government-Owned Real Estate Types:

- Former RDA real estate – PMPs
- Real Estate with public use (civic centers, fire stations, recreation)
- Surplus Property (City, School District, Utility, other)
- Rights of Way / Streets / Alleys
- Parking Lots / Structures

Real Estate as an E.D. Resource

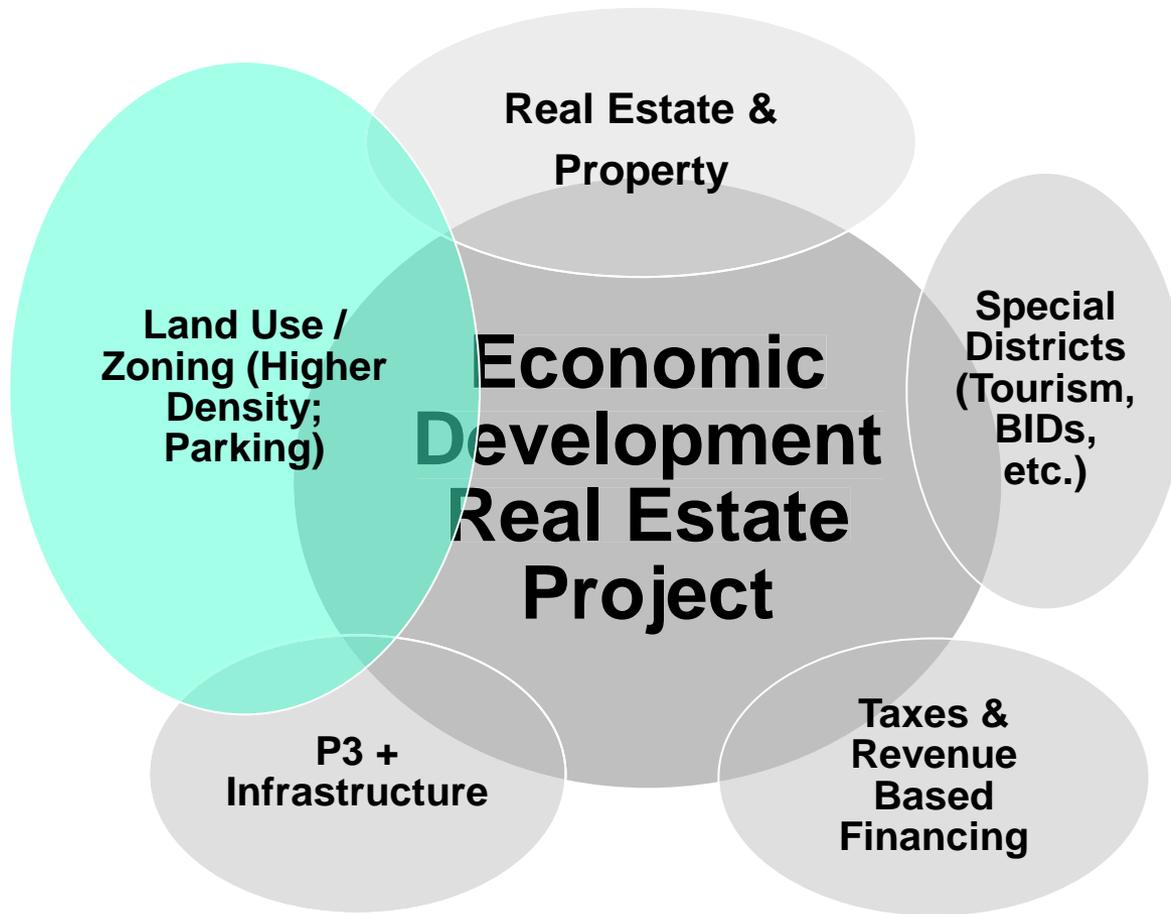
Land lends value to ED projects: can increase market/reuse value

- “Owned” land values can be propped up by zoning/use actions that add value
 - Density, reduced parking, hours of operation, height
- High commuting costs and transit lines have increased the “location value” of in-fill sites (e.g. parking lots, city / utility yards)

Public Agency land under-utilized;

- Existing zoning may not support highest & best use
 - Often needs work (entitlements, assemblage, env. remediation)
- Potential to increase value & property taxes (stable revenue source)
- Added “value” and/or lease revenue can be borrowed against (leverage)
- New funds from leverage can be used for Economic Development projects

Post-RDA Tools – Land Use / Zoning



Land Use & Zoning Tools

1. Expedited Processing of Entitlements and Permits:

- For the private sector *time is money*. Reduced processing time is a win-win
- Shorter timeframes for CEQA and other local Permitting requirements

2. Development Agreement (DA):

- Think “prenuptial agreement”
- DAs lock in benefits for public & private sector: e.g. fee deferral vs infrastructure

3. Specific Plans:

- Incorporate “ED” priorities and convert them to zoning policy objectives

4. Development Opportunity Reserve (DOR):

- Assign density for preferred uses (mixed use, retail, tax and job generators); Reward the Buyer/investor not the owner

5. Transfer of Development Rights (TDR):

- Specific Plans with an Economic Development “kicker.”

6. Post Construction Operating Covenants:

- Valuable for financing improvements made by a developer and/or tenant

Land Use/Zoning Options – Density as ED Tool

Development Opportunity Reserve (“DOR”):

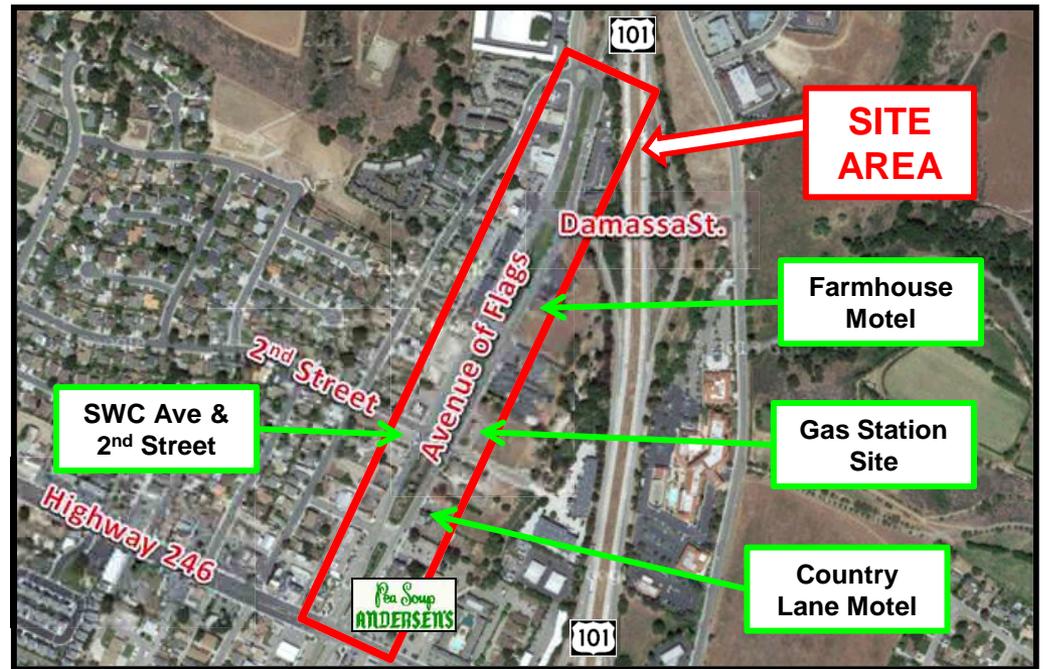
- **Problem: Up-zoning used to stimulate economic development often results in a windfall to existing landowners, not targeted users**
- **Bright Idea: Combine Specific Plans (SP) with Econ. Development “Kicker”**
- Zoning/Density should protect/advance community desires as per the SP
- Place ‘Added’ density into a “Reserve Account” but do not distribute per parcel
- Higher density to new projects that comply with pre- set “community objectives”
- Economic value of “DOR” density goes to desired projects vs. existing owners

Example: Burbank Media District Specific Plan

Burbank Media Overlay District Zone (1991-present) – allows more density through CUP process for projects that meet community goals (e.g. infrastructure)

DOR Opportunity: Avenue of Flags District

- Various potential Opportunity Sites under separate private ownerships
- Zoned general commercial (CR)
- **Potential for zoning / density as economic incentive**



Strengths

- Adjacent to Highways 246 and 101 with on-ramp and off-ramp access
- Central location within City
- Commercial zoning
- Strong household incomes

Challenges

- Low population density
- Consensus on vision
- Multiple owners

Opportunities

- Farmhouse Motel conversion
- Gas Station Site
- Country Lane Motel (Bach Hotel)
- SWC Ave of Flags & 2nd Street (Vacant Lot)

Case Study: Macerich – Mall of Victor Valley

The Challenge

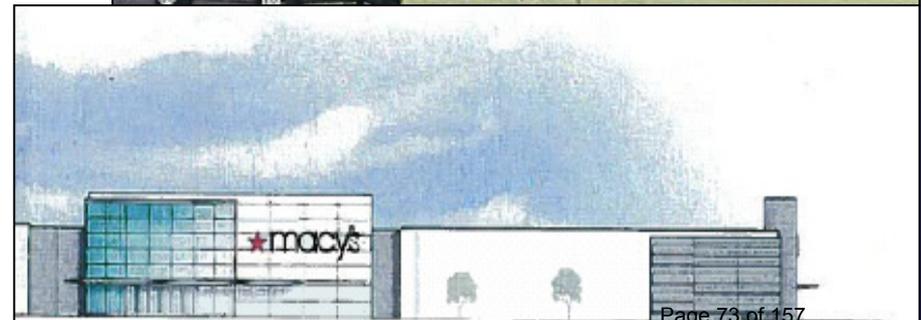
- Lost several major tenants from a significant regional shopping mall; decline in sales tax revenue

The Post-RDA Tools Used

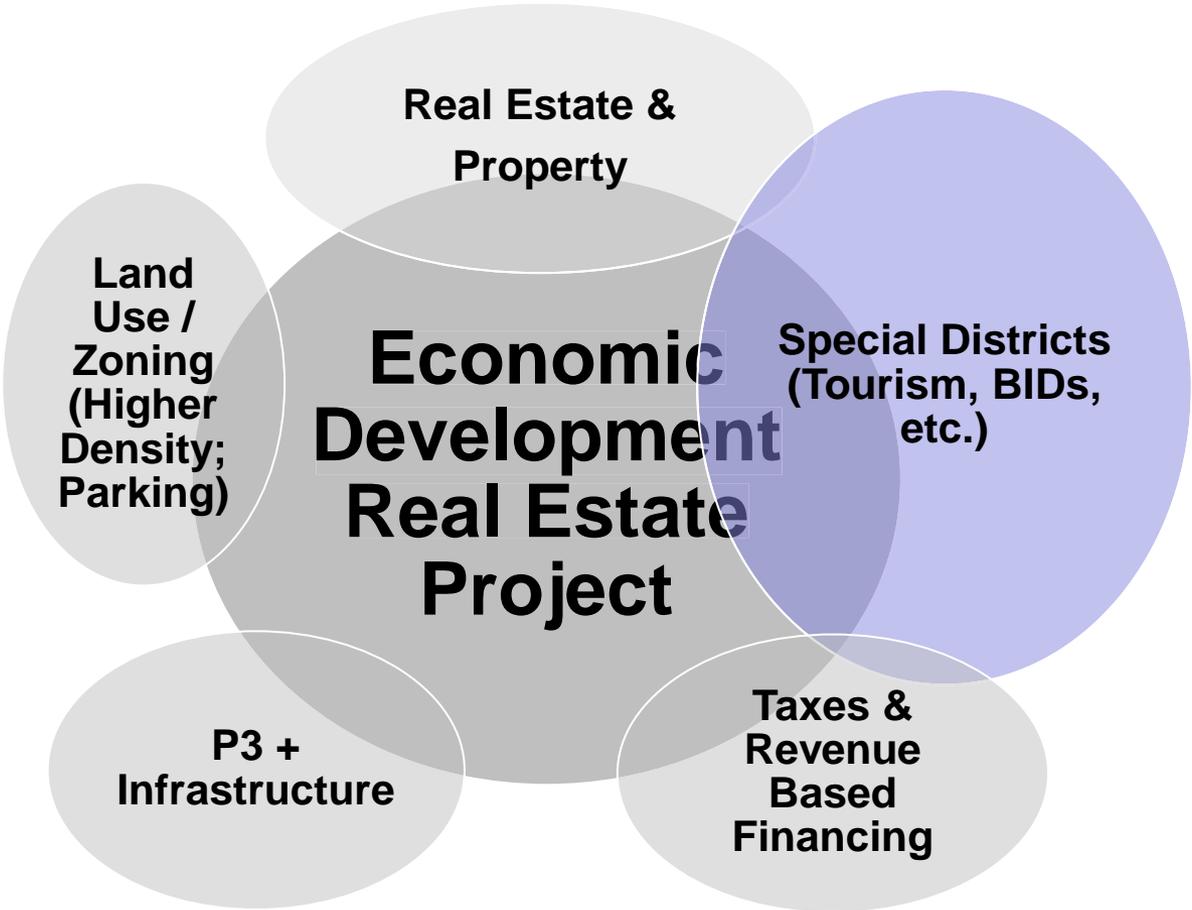
- Development Agreement
- Operating Covenant (Macy's)
- Site-Specific Tax Revenue (SSTR)

The Outcome

- Extreme Mall Makeover: Net increase of 47,000 retail SF (531,000 total SF)
- New Macy's and JC Penney (replacing shuttered Gottschalks and Mervyns)
- JCP opened in OCT. 2012
- MACY's opened in Mar. 2013



Post-RDA Tools – Special Districts



Post RDA Tools - Districts Overview

- **California Law allows creation of various specialized districts**
 - Located within a city that apply economic development programs on an area-wide scale vs. site-specific level
 - Districts may use taxes, assessments, exactions, and other funding sources for projects in the district
- **Popular Types of Districts:**
 - Business Improvement District (BID)
 - Property Improvement Business District (PBID)
 - Tourism Improvement District (TID) – *Buellton part of Santa Ynez Valley TBID*
 - Community Facilities District (CFD)

BID/PBID Characteristics

- **Business Improvement District (BID):**
 - Surcharge on business license taxes
 - Fund business marketing, promotions/events, parking improvements
 - Benefit assessment fee independent of business license taxes
- **Property Business Improvement District (PBID)**
 - Setup for 5 years at a time (renewable in 10 year increments)
 - Fund clean and safe programs, capital improvements, management
 - 100 plus PBIDs created around State
 - Requires 50.1% weighted owner ballot approval
 - Can assess vacant land, buildings, gov properties, public utility properties, churches, non-profits but not residentially zoned properties

TID Characteristics

- **Tourism Improvement Districts:**

- Funds raised through an assessment on lodging stays
- Provides services directly benefitting businesses within district
- As of 2013, there are over 50 local tourism improvement districts in CA
- Noticeable TID is San Diego; TID funds programs /events to attract overnight visitors to San Diego Convention Center (i.e. Comic Con)



Types of Districts Expanding



Restaurants



Golf



Attractions



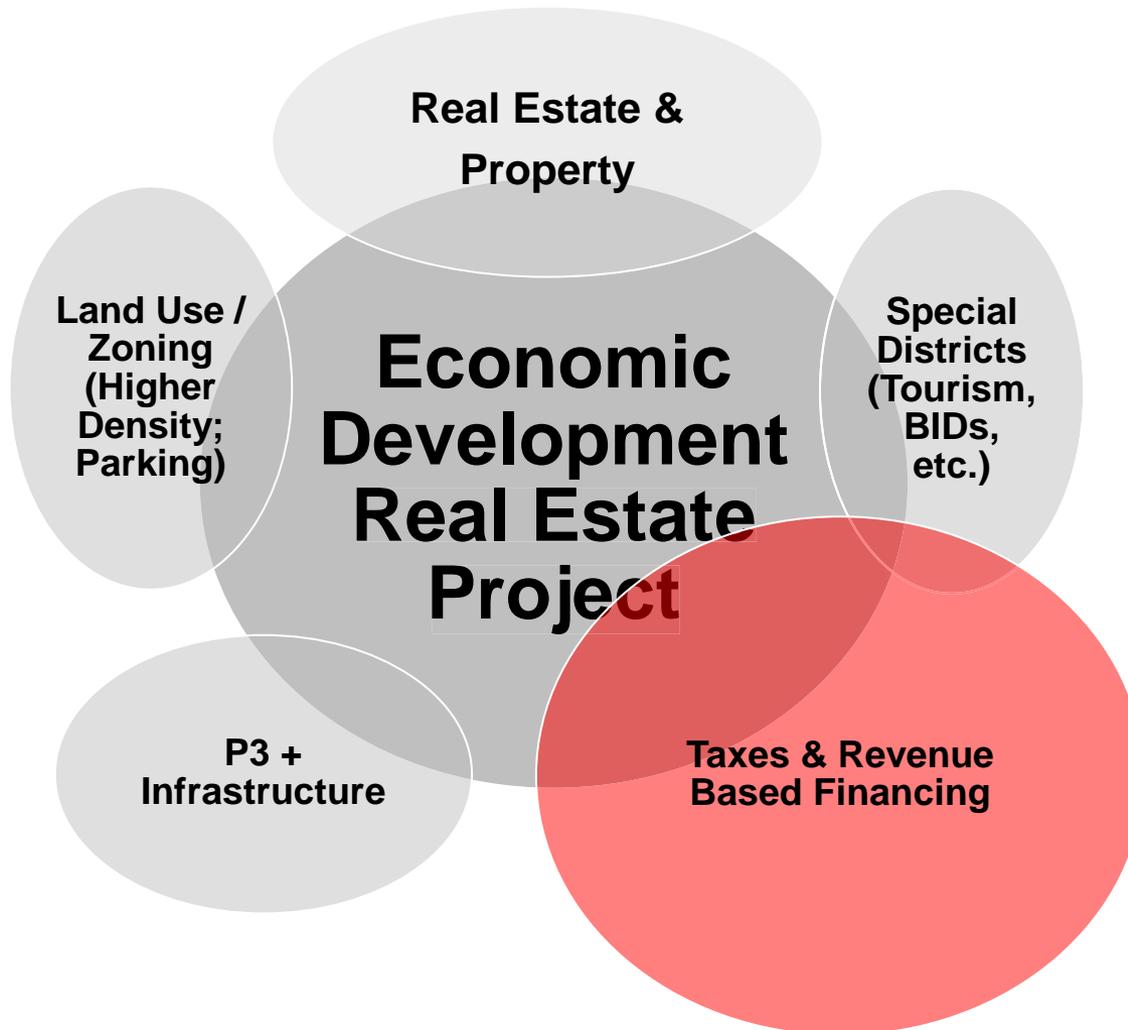
Wineries



Auto



Post-RDA Tools – Taxes & Revenue Financing



Post RDA: Basic Tax & Financing Tools

Financing Tool	The Basics
<p>Lease Revenue Bonds</p> <p><i>*Potential for Buellton* (Water Revenue)</i></p>	<ul style="list-style-type: none"> Public agency income stream (utility, parking) set up in long-term lease obligation & borrowed against <u>Example</u>: leverage of utility lease revenues in South Gate for publicly owned infrastructure improvements to accommodate retail center
<p>Lease-Leaseback</p>	<ul style="list-style-type: none"> Lease/sublease of asset between two public agencies enables lease payments to be leveraged (borrowed) <u>Example</u>: Existing building facility, lease payments can start immediately without the need to fund capitalized interest
<p>Site Specific Tax Revenue Pledge (SSTR)</p>	<ul style="list-style-type: none"> Tax revenue (sales, hotel) generated by a specific project and applied to reduce gap by lowering project debt or equity Contributes amount calculated each year based on actual increment of public revenues produced that year by project

Special Purpose Financing Authorities

- **Parking Authorities**

- Commission-led local government entity (law enacted in 1949)
- Manages parking operations and revenue citywide
- May be used to acquire property and fund new parking facilities
- Landlord for parking leases and concession agreements

- **Infrastructure Financing Districts – A “D.O.A.” District**

- Established in 1990 to finance public works in suburban areas
- Has been used 3 times (Lego-land, Rincon Hill in SF)
- Uses Tax-Increment Financing
- Requires 2/3rd public vote for district formation and bond issuance
- Cannot be used in prior RDA areas
- Governor proposed modification reduces vote to 55% - not enough for cities to use in most cases

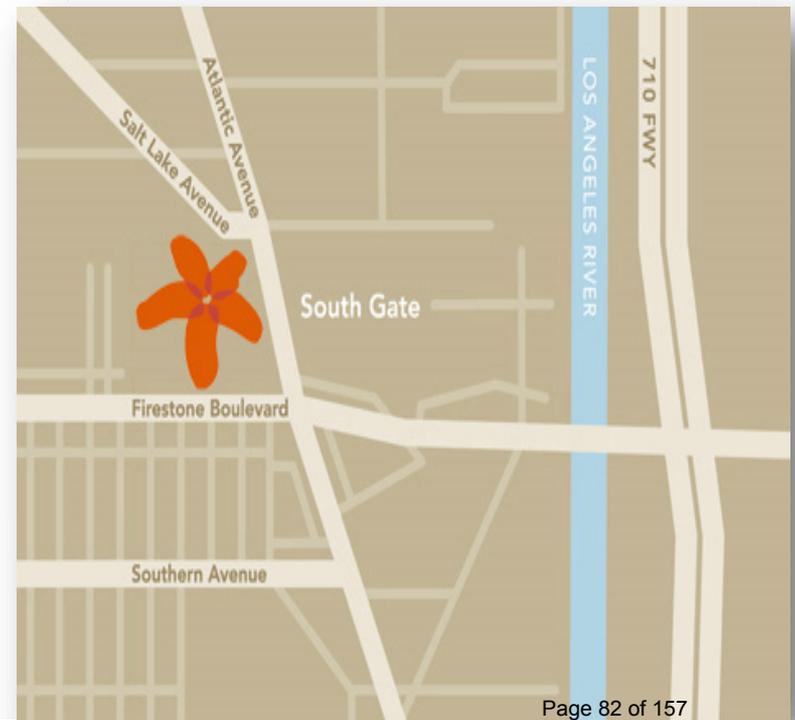
Case Study: South Gate – “azalea” Retail Center

The Challenge

- Formerly a pipe mfg plant, the 32-acre site lay fallow & blighted for years
- City purchased the land in 2006 to revitalize community with a quality regional retail & entertainment center
- South Gate has highest population density in LA County; residents must drive great distances for basic retail goods and quality restaurants

The Post-RDA Tools Used

- Utility Bonds for off-sites
- Infrastructure & Fee Waiver Agreement
- New Market Tax Credits (NMTC)
- EDA Grant



Case Study: South Gate – “azalea” Retail Center

The Outcome

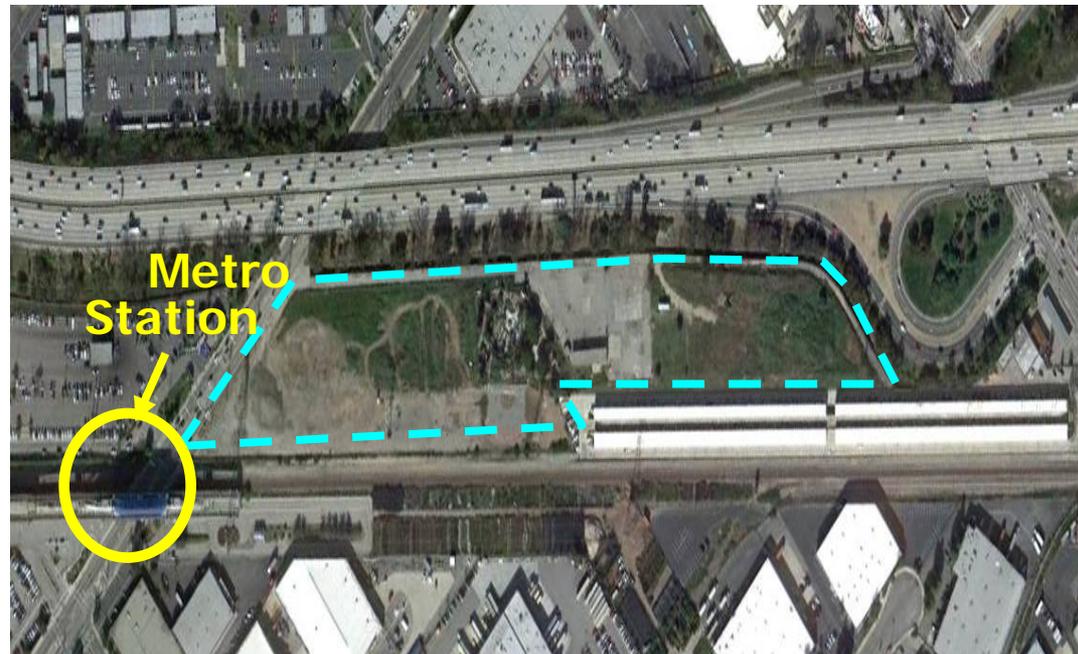
- 372K sf regional retail center (Walmart, Ross, Marshalls)
- Opens June 2014
- Public Plaza & Events Center, City Services Annex
- Project will generate \$2.6m per year in sales (2% sales tax rate)
- Enables City to recapture sales tax leakage & create ~600 jobs



Case Study City of Redondo Beach – Marine Ave. Hotels

The Challenge

- City desired to utilize area near Metro station
- Odd lot size & shape; multiple ownership; and vacant condition has deterred private development
- Developer proposes 147-room Hilton Garden Inn, 172-room Marriott Residence Inn and 180 Room Extended Stay Hotel located adjacent to the Metro station



The Post-RDA Tools Used

- ✓ *Ground Lease / Lease-Leaseback*
- ✓ *Site-Specific Tax Revenue Pledge (Prop & TOT)*
- **Mezzanine Reserve Fund**

Case Study City of Redondo Beach – Marine Ave. Hotels

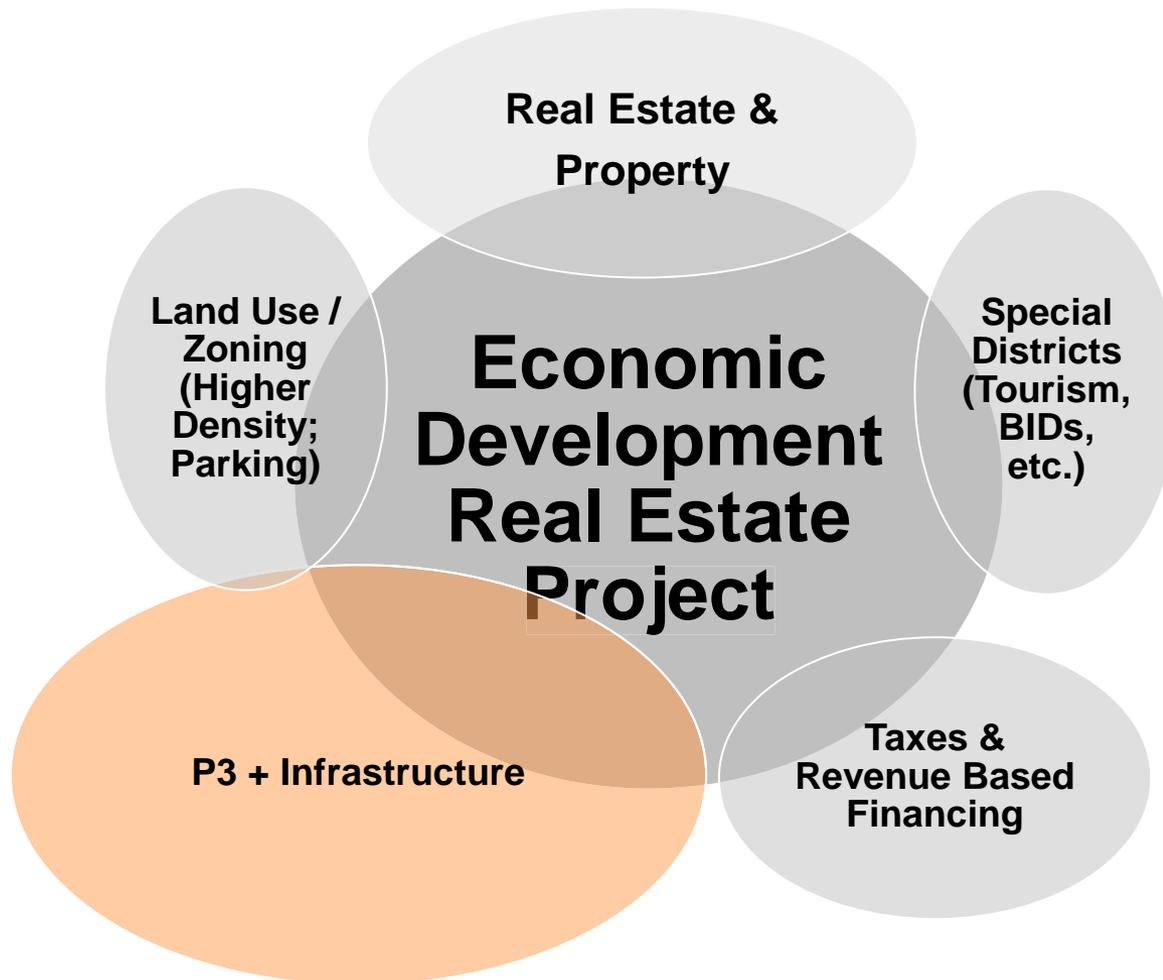


The Outcome

- Site Specific Tax Revenue is key; without project does get financed
- Will add over \$3.5 million/year in TOT & create ~150 jobs
- Brings three quality hotel operations to the City's "front door"
- TOD project across street from Metro Green Line station



Post-RDA Tools – P3 + Infrastructure



P3 Infrastructure Overview

- **What is Infrastructure P3?**

- Contractual Agreement between a public agency and a private sector entity to deliver facility for the use of the general public
- P3s offer government agencies in CA an alternative mechanism for financing vital infrastructure projects
- AB 164 - Authorizes local government agencies to use P3s to design, finance, and maintain fee-producing infrastructure facilities

- **Types of Infrastructure P3**

- Transportation: roads, bridges, tunnels, rail
- Defense: Military housing, Utilities, Reuse of Military Base
- Health: Hospitals, Schools, Prisons
- Water: Collection, Desalinization and Distribution
- Social: Civic Houses, Court Houses

Summary of Local P3 Opportunities

- **Local P3 Projects to assist in the following:**
 - Local-Serving Infrastructure
 - Water/Wastewater Projects, Parks, Municipal Buildings
 - (e.g. Long Beach Courthouse, Oxnard Fire Station)
 - Economic Development Programs
 - City's owned Real Property Assets/LRPMP can lead to ED opportunity
- **Why Public Private Partnerships?**
 - Shortened Procurement Cycle
 - “Free up” public funds for other purposes
 - Transfer project risks to private partner
 - Quicker access to financing for projects
 - Minimize general fund debt and keep off city financial statements

City of Oxnard – P3 Infrastructure Delivery

The Challenge

- City struggled to find a financing source and a project delivery method to build a much needed fire station on vacant 2.49 acre parcel

The Post-RDA Tools Employed

- P3 Infrastructure Delivery
- Revenue Bonds

The Outcome

- Established a California Municipal Finance Authority to issue two bonds to fund project
- Bonds financed design, acquisition, construction and equipping of a “turn-key” fire station to be transferred to the City of Oxnard after 24 months
- Revenue bonds earned an “A+” rating from S&P despite the bonds assuming construction risk



Next Steps for Econ. Dev. Implementation

- **Economic Development Projects w/o RDAs are more challenging but achievable; cities such as Buellton will need well conceived strategy**
- **Next Steps for Economic Development Implementation:**
 - Continue to market available Opportunity Sites and pursue targeted retailers/developers
 - Evaluate fiscal impacts and economic benefits (e.g. fiscal revenue and job creation) of key potential projects on a case-by-case basis
 - Review Basic Tool Kit: Real Estate, Zoning, Districts, Revenue/Tax, and P3
 - Determine which tools City is willing to use (e.g. **DOR, Water Rev. Bonds**)
 - Create Inventory of potential E.D. projects & determine feasibility
 - Review initial opportunities (Post RDA Properties, potential to create districts and/or use zoning & DORs, P3 Projects)
 - ED & Public Finance complexities demand a highly skilled team – review steps above and work with recognized professionals

CITY OF BUELLTON
City Council Agenda Staff Report

City Manager Review: MPB
Council Agenda Item No.: 8

To: The Honorable Mayor and City Council

From: Carolyn Galloway-Cooper, Finance Director

Meeting Date: October 23, 2014

Subject: Award of Contract for Software Implementation Services

BACKGROUND

At the Council meeting of July 10, 2014, the City Council approved Tyler Technologies for software implementation services and directed the City Manager to negotiate a contract. Staff presents the attached contract for City Council approval.

Upon approval, a Tyler Project Manager will develop an implementation schedule outlining specific tasks for precise applications. Dates will be determined based on communication with City staff.

FISCAL IMPACT

The 2014-15 capital improvement project (CIP) budget allocated \$150,000 for this project. Total costs per the agreement are not to exceed \$135,000. The project is under-budget leaving an available balance of \$15,000 for purchase of a new server/ hardware.

An annual maintenance fee of \$14,432 is included in the total cost of \$135,000 above. Subsequent years will be subject to change and will not increase by more than three percent (3%) per year for three (3) years following the effective date. Thereafter, the increase is based on market factors.

RECOMMENDATION

That the City Council approves the contract with Tyler Technologies for software implementation services.

ATTACHMENT

Attachment 1 – Agreement with Tyler Technologies

**AGREEMENT FOR SOFTWARE LICENSES AND SOFTWARE IMPLEMENTATION
SERVICES
BETWEEN
THE CITY OF BUELLTON
AND
TYLER TECHNOLOGIES, INC**

TABLE OF CONTENTS		PAGE
A	SOFTWARE LICENSE	4
SECTION 1.	LICENSE	4
B	SERVICES	4
SECTION 1.	SCOPE OF SERVICES	4
SECTION 2.	ADDITIONAL SERVICES	4
C	MAINTENANCE AGREEMENT	5
D	GENERAL TERMS	5
SECTION 1.	COMPENSATION AND METHOD OF PAYMENT	5
SECTION 2.	INSPECTION AND FINAL ACCEPTANCE	6
SECTION 3.	OWNERSHIP OF DOCUMENTS	6
SECTION 4.	CONSULTANTS BOOKS AND RECORDS	7
SECTION 5.	STATUS OF CONSULTANT	7
SECTION 6.	STANDARD OF PERFORMANCE	8
SECTION 7.	COMPLIANCE WITH APPLICABLE LAWS; PERMITS AND LICENSES	8
SECTION 8.	NONDISCRIMINATION	8
SECTION 9.	UNAUTHORIZED ALIENS	9
SECTION 10.	CONFLICTS OF INTEREST	9

		PAGE
SECTION 11.	CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION	9
SECTION 12.	INDEMNIFICATION	10
SECTION 13.	INSURANCE	10
SECTION 14.	ASSIGNMENT	10
SECTION 15.	CONTINUITY OF PERSONNEL	11
SECTION 16.	TERMINATION OF AGREEMENT	11
SECTION 17.	EXCUSABLE DELAYS	11
SECTION 18.	LIMITATION OF LIABILITY AND EXCLUSION OF CERTAIN DAMAGES	11
SECTION 19.	DISPUTE RESOLUTION	12
SECTION 20.	PAYMENT TERMS	12
SECTION 21.	COOPERATION BY CITY	13
SECTION 22.	CITY RESPONSIBILITIES	13
SECTION 23.	NOTICES	13
SECTION 24.	AUTHORITY TO EXECUTE	14
SECTION 25.	BINDING EFFECT	14
SECTION 26.	MODIFICATION OF AGREEMENT	14
SECTION 27.	WAIVER	14
SECTION 28.	LAW TO GOVERN; VENUE	14
SECTION 29.	ATTORNEYS FEES, COSTS AND EXPENSES	14
SECTION 30.	ENTIRE AGREEMENT	15
SECTION 31.	SEVERABILITY	15

EXHIBITS

EXHIBIT "A"	SCOPE OF SERVICES/PROPOSAL
	INVESTMENT SUMMARY
	INTERNET-BASED PRODUCT SUBSCRIPTION AGREEMENT (IBPS)
	SOFTWARE LICENSE AGREEMENT
EXHIBIT "B"	INSURANCE
EXHIBIT "C"	TYLER BUSINESS TRAVEL POLICY

**AGREEMENT FOR SOFTWARE LICENSES AND SOFTWARE IMPLEMENTATION
SERVICES
BETWEEN
CITY OF BUELLTON
AND
TYLER TECHNOLOGIES, INC.**

This AGREEMENT FOR SOFTWARE LICENSES AND SOFTWARE IMPLEMENTATION SERVICES BETWEEN THE CITY OF BUELLTON AND TYLER TECHNOLOGIES, INC ("AGREEMENT"), is made and entered into this 23rd day of October 2014, by and among the City of BUELLTON a municipal corporation ("CITY") and TYLER TECHNOLOGIES

In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

A. SOFTWARE LICENSE

SECTION 1. LICENSE. The license grant, terms, and conditions are as detailed in the Software License, attached hereto as Exhibit A.

B. SERVICES

SECTION 1. SCOPE OF SERVICES.

TYLER TECHNOLOGIES will provide the Implementation and professional services "Services" on the schedule, and according to the terms and conditions, set forth in the parties' Statement of Work ("SOW"), set forth at Exhibit A. Exhibit A is a material part of the contract.

SECTION 2. ADDITIONAL SERVICES.

(a) The Investment Summary contains a good faith estimate of service fees and travel expenses. Training and/or consulting services utilized in excess of those set forth in the Investment Summary and additional related services not set forth in the Investment Summary will be billed at Tyler's then-current rates, plus travel expenses billed in accordance with TYLER TECHNOLOGIES' then-current Business Travel Policy. A copy of Tyler's current Business Travel Policy is attached hereto as Exhibit C. TYLER TECHNOLOGIES shall not be compensated for any services rendered in connection with its performance of this AGREEMENT which are in addition to or outside of those set forth in this AGREEMENT or listed in EXHIBIT "A" unless such additional services are authorized in advance and in writing by the City Council or City Manager of CITY. (b) Programming and/or interface quotes are estimates based on TYLER TECHNOLOGIES' understanding of the specifications supplied by CITY. In the event CITY requires additional work performed above the specifications provided, TYLER TECHNOLOGIES will submit to CITY an amendment containing an estimate of the charges for the additional work. CITY will have thirty (30) calendar days from the date the estimate is provided to approve the amendment.

(c) TYLER TECHNOLOGIES shall be compensated for any such additional services in the amounts and in the manner agreed to by the City and TYLER TECHNOLOGIES.

C. MAINTENANCE AGREEMENT

This Maintenance Agreement is effective on the earlier of (i) ninety (90) days after use of a Tyler Software Product in live production, or (ii) one hundred eighty (180) days from the date TYLER TECHNOLOGIES made the Tyler Software Products available to CITY for downloading; and will remain in force for an initial one (1) year term, which will renew automatically for additional one (1) year terms unless terminated in writing by either party at least fifteen (15) days prior to the end of the then-current term. Fees for subsequent years are subject to change.

Maintenance Services Terms, Conditions, Limitations and Exclusions: For as long as a current Maintenance Agreement is in place, TYLER TECHNOLOGIES shall, in a professional, good and workmanlike manner, perform its obligations in accordance with TYLER TECHNOLOGIES' then current support call process in order to conform the Tyler Software Products to the applicable warranty under this AGREEMENT. If CITY modifies the Tyler Software Products without TYLER TECHNOLOGIES' prior written consent, TYLER TECHNOLOGIES' obligations to provide maintenance services on and warrant the Tyler Software Products shall be void. TYLER TECHNOLOGIES reserves the right to suspend maintenance services if CITY fails to pay undisputed maintenance fees within sixty (60) calendar days of the due date. TYLER TECHNOLOGIES will reinstate maintenance services upon CITY's payment of the overdue maintenance fees.

For as long as a current Maintenance Agreement is in place TYLER TECHNOLOGIES shall provide CITY with all releases TYLER TECHNOLOGIES makes to the Tyler Software Products that TYLER TECHNOLOGIES makes generally available without additional charge to customers possessing a current TYLER TECHNOLOGIES, annual Maintenance Agreement. Third Party Products and installation, consulting and training services related to the new releases will be provided to CITY at TYLER TECHNOLOGIES' then-current rates. CITY acknowledges and agrees that a new release of the Tyler Software Products is for implementation in the Tyler Software Products as they exist without CITY customization or modification. TYLER TECHNOLOGIES shall support prior releases of the Tyler Software Products in accordance with TYLER TECHNOLOGIES' then-current release life cycle policy.

Maintenance fees do not include installation or implementation of the Tyler Software Products, onsite support (unless TYLER TECHNOLOGIES cannot remotely correct a defect in a Tyler Software Product), application design, other consulting services, support of an operating system or hardware, and support outside Tyler's normal business hours.

D. GENERAL TERMS

SECTION 1. COMPENSATION AND METHOD OF PAYMENT.

(a) Subject to any limitations set forth in this AGREEMENT, CITY agrees to pay TYLER TECHNOLOGIES the amounts specified in EXHIBIT "A" and made a part of this AGREEMENT. The total compensation, including reimbursement for actual expenses, shall not exceed One hundred thirty five thousand DOLLARS (\$135,000), unless additional compensation is approved in writing by the City Council or City Manager.

(b) Costs include \$99,688 for hosted online applications, applications software and professional services; \$14,432 for Annual Fees. Travel expenses shall be billed in accordance with Tyler's then-current Business Travel Policy, and shall not exceed \$17,500 unless authorized in advance and in writing by the City Council or City Manager of CITY. This total cost is equal to \$131,620. The foregoing total does not include maintenance fees for subsequent years. Maintenance shall automatically renew unless terminated in accordance with Section C. Maintenance fees in subsequent years are subject to change. Tyler will not increase annual maintenance fees by more than three percent (3%) per year for three (3) years following the effective date of this contract. Copies of receipts shall be provided on an exception basis at no charge. Should all receipts for non per diem expenses be requested, an administrative fee shall be incurred. Receipts for mileage and miscellaneous items less than twenty-five dollars (\$25) are not available. CITY shall independently review each invoice submitted by TYLER TECHNOLOGIES to determine whether the work performed and expenses incurred are in compliance with the provisions of this AGREEMENT. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (c). In the event CITY disputes any charges or expenses, the dispute will be resolved pursuant to the Dispute Resolution Process as outlined in Section 19.

(c) Except as to any charges for work performed or expenses incurred by TYLER TECHNOLOGIES which are disputed by CITY, CITY will use its best efforts to cause TYLER TECHNOLOGIES to be paid within thirty (30) days of receipt of TYLER TECHNOLOGIES invoice. The City pays invoices two times per month and will pay invoices on time. In the event CITY fails to remit full payment for an invoice, and such amounts owed are more than ninety (90) days past due, Tyler may suspend performance under this Agreement until such time as all past due amounts are paid in full.

(d) Payment to TYLER TECHNOLOGIES for work performed pursuant to this AGREEMENT shall not be deemed to waive any defects in work performed by TYLER TECHNOLOGIES.

SECTION 2. INSPECTION AND FINAL ACCEPTANCE.

Inspection and Final Acceptance shall be conducted as described in the Statement of Work.

SECTION 3. OWNERSHIP OF DOCUMENTS.

All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents provided by CITY to TYLER TECHNOLOGIES under this AGREEMENT shall remain the sole property of CITY and may be used, reused or otherwise disposed of by CITY without the permission of the TYLER TECHNOLOGIES. Upon completion, expiration or termination of this AGREEMENT, TYLER TECHNOLOGIES shall turn over to CITY all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents. The software and documentation provided by TYLER TECHNOLOGIES to CITY under this AGREEMENT is licensed not sold, TYLER TECHNOLOGIES reserves all rights not expressly granted to CITY under this AGREEMENT.

SECTION 4. CONSULTANTS BOOKS AND RECORDS.

(a) TYLER TECHNOLOGIES shall maintain any and all documents and records demonstrating or relating to TYLER TECHNOLOGIES' performance of services pursuant to this AGREEMENT. TYLER TECHNOLOGIES shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to CITY pursuant to this AGREEMENT. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by TYLER TECHNOLOGIES pursuant to this AGREEMENT. Any and all such documents or records shall be maintained for three years from the date of execution of this AGREEMENT and to the extent required by laws relating to audits of public agencies and their expenditures.

(b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying, at CITY's expense, at any time during regular business hours, upon written request by CITY or its designated representative. Copies of such documents or records shall be provided, at CITY's expense directly to the CITY for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at TYLER TECHNOLOGIES' address indicated for receipt of notices in this AGREEMENT.

(c) Where CITY has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of TYLER TECHNOLOGIES' business, CITY may, by written request, require that custody of such documents or records be given to the requesting party and that such documents and records be maintained by the requesting party. Access to such documents and records shall be granted to CITY, as well as to its successors-in-interest and authorized representatives.

SECTION 5. STATUS OF CONSULTANT.

(a) CONSULTANT is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of CITY. TYLER TECHNOLOGIES shall have no authority to bind CITY in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against CITY; whether by contract or otherwise, unless such authority is expressly conferred under this AGREEMENT or is otherwise expressly conferred in writing by CITY.

(b) The personnel performing the services under this AGREEMENT on behalf of CONSULTANT shall at all times be under TYLER TECHNOLOGIES exclusive direction and control. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall have control over the conduct of TYLER TECHNOLOGIES or any of TYLER TECHNOLOGIES' officers, employees or agents, except as set forth in this AGREEMENT. TYLER TECHNOLOGIES shall not at any time or in any manner represent that TYLER TECHNOLOGIES or any of TYLER TECHNOLOGIES' officers, employees or agents are in any manner officials, officers, employees or agents of CITY.

(c) Neither TYLER TECHNOLOGIES nor any of TYLER TECHNOLOGIES' officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to CITY's employees. TYLER TECHNOLOGIES expressly waives any claim TYLER TECHNOLOGIES may have to any such rights.

SECTION 6. STANDARD OF PERFORMANCE.

TYLER TECHNOLOGIES represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this AGREEMENT in a thorough, competent and professional manner. TYLER TECHNOLOGIES shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this AGREEMENT, TYLER TECHNOLOGIES shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of TYLER TECHNOLOGIES under this AGREEMENT.

SECTION 7. COMPLIANCE WITH APPLICABLE LAWS, PERMITS AND LICENSES.

TYLER TECHNOLOGIES shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this AGREEMENT. TYLER TECHNOLOGIES shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this AGREEMENT. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall be liable, at law or in equity, as a result of any failure of TYLER TECHNOLOGIES to comply with this section.

SECTION 8. NONDISCRIMINATION.

Basic Provisions. In performing the Work, TYLER TECHNOLOGIES agrees as follows:

(1) TYLER TECHNOLOGIES will not discriminate against any employee or applicant from employment because of race, creed, color, national origin, ancestry, sexual orientation, political affiliation or beliefs, sex, age, physical handicap, medical condition, marital status or pregnancy except where such discrimination is based on a bona fide occupational qualification. TYLER TECHNOLOGIES will take positive action or ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, national origin, ancestry, sexual orientation, political affiliation or beliefs, sex, age, physical handicap, medical condition, marital status or pregnancy except where such discrimination is based on a bona fide occupational qualification. Such action shall include but not be limited to the following: Employment upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. TYLER TECHNOLOGIES agrees to post in conspicuous places, available to employees and applicants for employment, notices of TYLER TECHNOLOGIES' nondiscrimination policies as required by applicable law.

(2) TYLER TECHNOLOGIES will, in accordance with applicable law, in all solicitations or advertisements for employees placed by or on behalf of TYLER TECHNOLOGIES state that all qualified applicants will receive consideration for employment without regard to race creed, color, national origin, ancestry, sexual orientation, political

affiliation or beliefs, sex, age, physical handicap, medical condition, marital status or pregnancy except where such discrimination is based on a bona fide occupational qualification.

SECTION 9. UNAUTHORIZED ALIENS.

TYLER TECHNOLOGIES hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §1101, *et seq.* as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should TYLER TECHNOLOGIES so employ such unauthorized aliens for the performance of work and/or services covered by this AGREEMENT, and should any liability or sanctions be imposed against CITY for such use of unauthorized aliens, TYLER TECHNOLOGIES hereby agrees to and shall reimburse CITY for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by CITY.

SECTION 10. CONFLICTS OF INTEREST.

(a) TYLER TECHNOLOGIES covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of CITY or which would in any way hinder TYLER TECHNOLOGIES' performance of services under this AGREEMENT. TYLER TECHNOLOGIES further covenants that in the performance of this AGREEMENT, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. TYLER TECHNOLOGIES agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of CITY in the performance of this AGREEMENT.

(b) CITY understands and acknowledges that TYLER TECHNOLOGIES is, as of the date of execution of this AGREEMENT, independently involved in the performance of non-related services for other governmental agencies and private parties. TYLER TECHNOLOGIES is unaware of any stated position of CITY relative to such projects. Any future position of CITY on such projects shall not be considered a conflict of interest for purposes of this section.

SECTION 11. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.

(a) All information gained by either party in performance of this AGREEMENT shall be considered confidential, unless such information is in the public domain or already known. Neither party shall release or disclose any such information or work product to persons or entities without prior written authorization, except as may be required by law.

(b) Both parties, including its officers, employees, agents or subcontractors, shall not, without prior written authorization voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this AGREEMENT. Response to a subpoena or court order shall not be considered "voluntary."

(c) If either party, or any officer, employee, agent or subcontractor of such party, provides any information or work product in violation of this AGREEMENT, then each shall have the right to reimbursement and indemnity for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of the violating party's conduct.

(d) Each party shall promptly notify the other should its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this AGREEMENT and the work performed thereunder. Both parties agree to cooperate fully and to provide the opportunity to review any response to discovery requests provided. However, this right to review any such response does not imply or mean the right by CITY to control, direct, or rewrite said response.

SECTION 12. INDEMNIFICATION.

INDEMNITY FOR PROFESSIONAL LIABILITY: When the law establishes a professional standard of care for TYLER TECHNOLOGIES' services, to the fullest extent permitted by law, TYLER TECHNOLOGIES shall indemnify, defend and hold harmless CITY and any and all of its boards, officials, employees, and agents ("Indemnified Parties") from and against all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are directly caused in whole or in part by any negligent or wrongful act, error or omission, as measured against the applicable standard of care, of TYLER TECHNOLOGIES its officers, agents, employees or sub-consultants (or any entity or individual for which TYLER TECHNOLOGIES shall bear legal liability) in the performance of professional services under this agreement.

INDEMNITY FOR OTHER THAN PROFESSIONAL LIABILITY: To the full extent permitted by law, TYLER TECHNOLOGIES shall indemnify, defend and hold harmless CITY, and any and all of its boards, employees, officials and agents from and against any and all direct claims, suits, actions, losses, expenses or costs, including attorneys fees and costs, court costs, for personal injury or property damage to the extent caused by TYLER TECHNOLOGIES' negligence or willful misconduct.

SECTION 13. INSURANCE.

TYLER TECHNOLOGIES agrees to obtain and maintain in full force and effect during the term of this AGREEMENT the insurance policies set forth in EXHIBIT "B" "INSURANCE" and made a part of this AGREEMENT. These requirements are subject to amendment or waiver if so approved in writing by the parties. TYLER TECHNOLOGIES agrees to provide CITY with copies of certificates of insurance upon request.

SECTION 14. ASSIGNMENT.

The expertise and experience of TYLER TECHNOLOGIES are material considerations for this AGREEMENT. CITY has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon TYLER TECHNOLOGIES under this AGREEMENT. In recognition of that interest, neither party shall assign or transfer this Agreement or any portion of this AGREEMENT or the performance of any duties or obligations under this AGREEMENT without the prior written consent of the other party, except that TYLER TECHNOLOGIES may, without the prior express written consent of CITY, assign the award or the mutually negotiated contract in its entirety to the surviving entity of any merger or consolidation or to any purchaser or substantially all of TYLER TECHNOLOGIES' assets. Any attempted assignment, except as provided in this Section 14, shall be ineffective, null and void, and shall constitute a material breach of this AGREEMENT entitling CITY to any and all remedies at law or in equity, including summary termination of this

AGREEMENT. CITY acknowledges, however, that TYLER TECHNOLOGIES, in the performance of its duties pursuant to this AGREEMENT, may utilize subcontractors.

SECTION 15. CONTINUITY OF PERSONNEL.

TYLER TECHNOLOGIES shall make every reasonable effort to maintain the stability and continuity of TYLER TECHNOLOGIES' staff assigned to perform the services required under this AGREEMENT. TYLER TECHNOLOGIES shall notify CITY of any changes in TYLER TECHNOLOGIES' staff assigned to perform the services required under this AGREEMENT, prior to any such performance.

SECTION 16. TERMINATION OF AGREEMENT.

(a) Either party may terminate this AGREEMENT, with or without cause, in the event the other party does not cure a material breach of this Agreement within thirty (30) days written notice of such material breach.

(b) Upon termination of this AGREEMENT by either TYLER TECHNOLOGIES or CITY, all property belonging exclusively to CITY, which is in TYLER TECHNOLOGIES' possession, shall be returned to CITY. TYLER TECHNOLOGIES shall furnish to CITY a final invoice for work performed and expenses incurred by TYLER TECHNOLOGIES, INC, prepared as set forth in C. GENERAL TERMS SECTION 2-D of this AGREEMENT. This final invoice shall be reviewed and paid in the same manner as set forth in SECTION 1 of this AGREEMENT. CITY shall not be entitled to refund or offset of previously paid license and other fees.

SECTION 17 EXCUSABLE DELAYS

TYLER TECHNOLOGIES shall not be liable for damages, if any, caused by delay in performance or failure to perform due to causes acts of God, acts of the public enemy, acts of federal, state or local governments, acts of CITY, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather. The term and price of this AGREEMENT shall be equitably adjusted for any delays due to such causes.

SECTION 18. LIMITATION OF LIABILITY AND EXCLUSION OF CERTAIN DAMAGES

EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, TYLER TECHNOLOGIES' 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 THE LESSER OF (A) THE CITY'S ACTUAL DIRECT DAMAGES OR (B) THE AMOUNTS PAID BY CITY UNDER THIS AGREEMENT. THE PRICES SET FORTH IN THIS AGREEMENT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL TYLER TECHNOLOGIES BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF TYLER TECHNOLOGIES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING LIMITATION AND EXCLUSION SHALL NOT APPLY TO CLAIMS THAT ARE SUBJECT TO SECTION 12 "INDEMNIFICATION".

SECTION 19. DISPUTE RESOLUTION

A party to this Agreement will provide the other party with written notice within thirty (30) days of becoming aware of a dispute. The parties agree to cooperate in trying to reasonably resolve all disputes, including if requested by either party, appointing senior representatives to meet and engage in good faith negotiations. Senior representatives will meet at CITY's office within thirty (30) days of the written dispute notice, or as otherwise agreed by the parties. All meetings and discussions between senior representatives shall be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar applicable state rule. If the parties fail to resolve the dispute, either may assert its respective rights and remedies in a court of competent jurisdiction. Nothing in this section shall prevent a party from seeking necessary injunctive relief during the dispute resolution procedures.

SECTION 20. PAYMENT TERMS.

(a) TYLER TECHNOLOGIES shall invoice CITY \$5,759.00 upon the Effective Date. Such amount equals 25% of the license fees for the Tyler Software Products.

(b) TYLER TECHNOLOGIES shall invoice CITY \$13,823.00 when TYLER TECHNOLOGIES has made the Tyler Software Products available to CITY for downloading. Such amount equals 60% of the license fees for the Tyler Software Products.

(c) TYLER TECHNOLOGIES shall invoice CITY \$3,456.00 upon the earlier of (i) the first use of a Tyler Software Product in live production, or (ii) one hundred eighty (180) days from the date TYLER TECHNOLOGIES made the Tyler Software Products available to CITY for downloading. Such amount equals 15% of the license fees for the Tyler Software Products.

(d) TYLER TECHNOLOGIES shall invoice CITY fees for services, plus expenses, if and as provided/incurred.

(e) TYLER TECHNOLOGIES shall invoice a 50% deposit for modifications upon delivery of specifications and 50% upon delivery of modification. TYLER TECHNOLOGIES will perform a modification upon receipt of written notice to proceed from CITY. CITY will have thirty (30) days from delivery of a modification to test such modification. In the event CITY does not report an issue with such modification to TYLER TECHNOLOGIES within such thirty (30) day period, the modification will be deemed in compliance with the specifications.

(f) Travel expense will not exceed \$17,500.

(g) Payment is due within thirty (30) days of the invoice date. The City pays vendors twice per month and will make payment within thirty (30) days.

(f) Maintenance fees are waived through the earlier of (i) ninety (90) days after use of a Tyler Software Product in live production, or (ii) one hundred eighty (180) days from the date TYLER TECHNOLOGIES made the Tyler Software Products available to CITY for downloading. Subsequent annual Maintenance fees are subject to change and will be due on the anniversary of such date.

SECTION 24. AUTHORITY TO EXECUTE.

The person or persons executing this AGREEMENT on behalf of each party represents and warrants that he/she/they has/have the authority to so execute this AGREEMENT and to bind the party for which he/she/they signs/sign to the performance of its obligations hereunder.

SECTION 25. BINDING EFFECT.

This AGREEMENT shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

SECTION 26. MODIFICATION OF AGREEMENT.

No amendment to or modification of this AGREEMENT shall be valid unless made in writing and approved by the TYLER TECHNOLOGIES and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void. In the event of any conflict between the terms and conditions of this AGREEMENT and attached Exhibit "A", the terms and conditions of this AGREEMENT shall control. In the event of any conflict between the terms and conditions of this AGREEMENT and any attached exhibits, the terms and conditions of this AGREEMENT will control.

SECTION 27. WAIVER.

Waiver by any party to this AGREEMENT of any term, condition, or covenant of this AGREEMENT shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this AGREEMENT shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this AGREEMENT. Acceptance by CITY of any work or services by TYLER TECHNOLOGIES shall not constitute a waiver of any of the provisions of this AGREEMENT.

SECTION 28. LAW TO GOVERN; VENUE.

This AGREEMENT shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Santa Barbara. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

SECTION 29. ATTORNEYS FEES, COSTS AND EXPENSES.

In the event litigation or other proceeding is required to enforce or interpret any provision of this AGREEMENT, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorney's fees, costs and expenses, in addition to any other relief to which it may be entitled.

SECTION 30. ENTIRE AGREEMENT.

This AGREEMENT, including the attached EXHIBITS "A", "B" and "C" is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between TYLER TECHNOLOGIES and CITY prior to the execution of this AGREEMENT. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding. No amendment to this AGREEMENT shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

SECTION 31. SEVERABILITY.

If a term, condition or covenant of this AGREEMENT is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this AGREEMENT shall not be affected thereby and the AGREEMENT shall be read and construed without the invalid, void or unenforceable provision(s).

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed the day and year first above written.

TYLER TECHNOLOGIES, INC

By: _____

By: _____

Title: _____

Title: _____

CITY OF BUELLTON

APPROVED AS TO FORM:

By: _____
CITY MANAGER

City Attorney



tyler
technologies

Statement of Work

Software and Implementation Services

Prepared for:

City of Buellton, CA

Prepared by:

Tyler Technologies, Inc.
www.tylertechnologies.com

June 19, 2014

Table of Contents

PROJECT SCOPE & SUMMARY 3

DATA CONVERSION..... 5

 INVOICING AND CLIENT SIGNOFFS 5

 KEY PROJECT ASSUMPTIONS 5

 OUT OF SCOPE 6

RISK / MITIGATION STRATEGY 7

 UNAVAILABILITY/INCOMPATIBILITY OF STAFF 7

 CLIENT STAFF UNAVAILABILITY 7

 SCOPE CHANGES 7

 ACTIVITY FOCUS..... 7

 INCOMPLETE LEGACY, INTERFACE DOCUMENTATION..... 8

 ACHIEVABLE GOALS 8

 TECHNOLOGY AGE 8

CRITICAL SUCCESS FACTORS 8

FUTURE AMENDMENTS TO SCOPE..... 9

PROJECT MANAGEMENT..... 9

 STAFFING..... 9

 PROJECT SCHEDULE 10

DEVELOPMENT TOOLS 10

DOCUMENTATION 10

 TYLER-PROVIDED DOCUMENTATION 10

 CLIENT-PROVIDED DOCUMENTATION..... 10

SOW ATTACHMENTS LISTING 11

SOW Attachment A – (Sample) Work Acknowledgement Form 11

SOW Attachment B – (Sample) Change Order Form 11

SOW Attachment C - Hardware / Software Requirements 11

SOW Attachment D – Standard Interfaces..... 11

SOW Attachment E – Conversion Detail 11

ATTACHMENTS 12

PROJECT SCOPE & SUMMARY

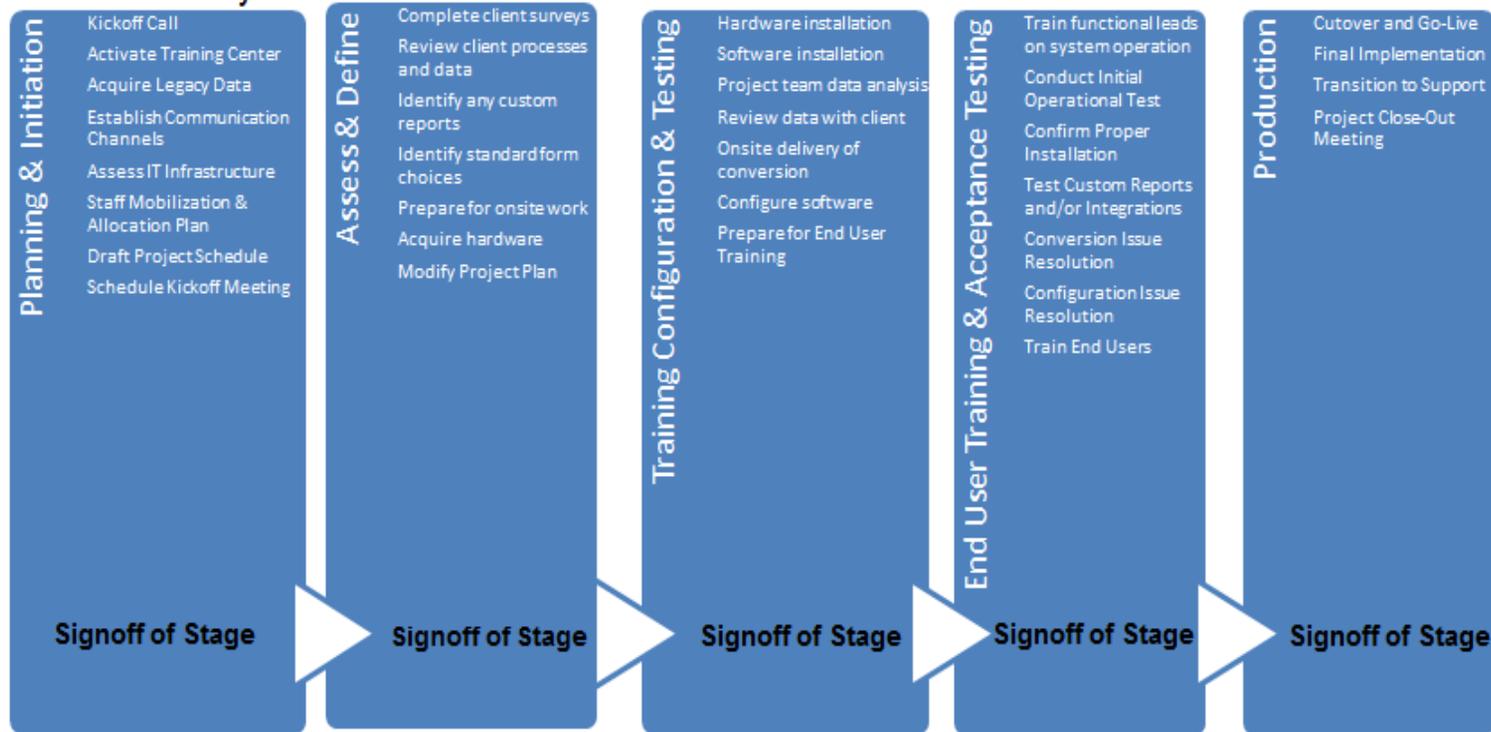
The software and services purchased are outlined in the Investment Summary Section of the Agreement.

Any standard interfaces purchased are listed in the Investment Summary section of the Agreement and detailed in SOW Attachment D – Standard Interfaces. It is important for the Client to read the portion of the Attachment related to each interface purchased to understand its full functionality.

Data conversion services and other professional services hours included in the Investment summary are estimates. Additional analysis will be performed during the Assess & Define stage to provide definitive pricing.

Implementation Stages

Tyler provides a well-defined multi-stage roadmap which can be applied to a single phase project or to projects with multiple phases. For multi-phase projects, the stages are repeated as necessary.



Each stage, as established above, is designed to provide a point at which a full review of the stage objectives is assessed for completeness. When a stage is complete, a Work-Acknowledgement Form (see SOW Attachment A- (Sample) Work Acknowledgement Form) is completed and signed by the Client signifying acceptance of that stage and the beginning of the next stage. Each stage is dependent on the results of the previous stage and therefore, each stage of the methodology cannot begin until the previous stage is completed and approved.

DATA CONVERSION

The goal of the data conversion process is to transfer information from one or more legacy systems into the Tyler system in an accurate and verifiable manner. Verification of the data conversion consists of comparing the on screen data elements and management reports of each system. As such, very little is done in the conversion process to “fix” the data. Inconsistencies or corruption in the original data will carry over to the new system – these issues should be identified and resolved by the Client before final data conversion on the legacy system(s) or shortly after “going live” on the Tyler system.

Attachment E – Conversion Detail of this document provides detailed information on Data Conversion if conversion is included in your Investment Summary.

INVOICING AND CLIENT SIGNOFFS

Tyler invoicing and payment terms are detailed in the Payment Terms section of the Agreement. In addition to responsibility for the payment of all invoicing outlined in the Agreement, Client is responsible for signing off on the hours consumed in accordance with project requirements. An approved Change Order is required if additional hours are needed or scope is changed.

KEY PROJECT ASSUMPTIONS

- Client and Tyler shall review their responsibilities before work begins to ensure that Services can be satisfactorily completed.
- Client will provide Tyler with access to its equipment, systems, and personnel to the extent needed to complete the defined Services.
- Client will provide work space for Tyler Services for work completed on Client premises.
- Tyler shall initially implement the most current version of the Tyler software at the time of the contract signing. During the implementation Tyler will provide newer releases of the software that meet or exceed the version available at contract signing. After Go-Live, the Client is responsible for installing newer releases. Release notes are provided for all new versions.
- Client will maintain primary responsibility for the scheduling of Client employees and facilities in support of project activities.
- Client shall provide Tyler with network access for remote installation and testing through industry standards such as Virtual Private Network (VPN) or other secure access methods.
- Client will allow users to access the following websites to ensure adequate access to Support resources:
 - help.tyleru.com
 - tyleru.com
 - tylertech.com
 - tylercommunity.tylertech.com
- Client will provide/purchase/acquire the appropriate hardware, software and infrastructure assets to support all purchased Tyler software products in both support/testing and production environments.
- Client is responsible for proper site preparation, hardware, software and network configuration in accordance with Tyler specifications.
- Client has, or will provide, access licenses and documentation of existing system to any 3rd party system software which Tyler will be required to read, write or exchange data.

- Client has, or will provide, a development/testing environment for data conversion and interface testing as they are developed by Tyler.
- Tyler shall be responsible for implementing a functioning version of the application software (assuming Client has installed the proper hardware, software, and networking devices).
- Tyler will provide Client with status reports that outline the tasks completed. Tyler will also provide details regarding the upcoming tasks that need to be completed during the coming weeks, the resources needed (from Client) to complete the tasks, a current or updated version of the project plan, and a listing of any issues that may be placing the project at risk (e.g., issues that may delay the project or jeopardize one or more of the production dates) as needed.

OUT OF SCOPE

- Tyler software is sold as COTS (commercial off the shelf) software. Any custom development such as; changes to source code, additional interface development, legacy or other imports are not within the scope of this agreement:

Custom Programming - Tyler products will be implemented “off the shelf” without customization, except as purchased and then detailed in Attachment F-Customizations. Any additional customizations identified or requested will be quoted as requested. Unless otherwise agreed, these customizations will be designed, developed, implemented, and tested during the Final Implementation phase (“post go live”). If there are no customizations in the Agreement, there will not be an Attachment F to this document.

Custom Modifications - Custom modifications are changes to the functionality of existing Tyler software products. These changes may involve the addition of new fields to a screen, the enhancement or automation of a process, or the creation of a new module. Software modifications are not within the scope of this agreement except as detailed in Attachment F-Customizations. If there are no customizations to the software, there will be no Attachment F to this document.

Tyler will make every effort to design custom modifications so that they can be leveraged by more than just one Client. This focus will affect the approach to designing, developing, and deploying new functionality so that we may benefit the largest population of users possible.

Custom interfaces – Custom interfaces involve the development of a standard, repeatable process for transferring information into or out of the Tyler software. These interfaces may take the form of a user-initiated import/export program, an API, or a web service. There are no custom interfaces included in the scope of the agreement unless detailed in Attachment F-Customizations.

Custom Reports –Custom Reports involve the development of new reports that are not offered as part of the standard reporting package and modifications to existing reports. There are no custom reports included in the scope of the agreement unless detailed in Attachment F-Customizations.

- Resource hours that extend scope. (Additional hours must be approved through a Change Order.)
- Any undocumented requirements. Undocumented requirements include requirements not specified in this Statement of Work and associated attachments.
- Post System Acknowledgement Configuration. System Acknowledgement requirements are met at the completion of End User Training and User Acceptance Testing stage. Any changes requested of the Tyler implementation team to alter the configuration, post acknowledgement of these milestones, must be documented through a Change Order and may incur additional costs. Client may have access to

built-in configuration tools, so, when available, is free to reconfigure or create new configuration as required or desired. If assistance using these tools is required, additional change orders may apply.

RISK / MITIGATION STRATEGY

Unavailability/Incompatibility of Staff

Risk: Tyler recognizes that individuals assigned to projects may become unavailable due to various causes. Further, Tyler recognizes that individuals sometimes clash for reasons of incompatibility. Tyler schedules team members based on all the projects to which those individuals are assigned. Unavailability may occur due to unforeseen circumstances such as family matters or the employee's departure from Tyler employment. Incompatibility creates intolerance in project objectives and tasks and creates unnecessary delays and can lead to project failure if not corrected.

Mitigation: In the event a Tyler project member is determined to be unavailable, a Tyler manager will consult with Client on alternatives such as a temporary replacement or substitute of the person. Likewise a similar response is expected from the Client if their team member is unavailable.

Incompatibility is addressed first through attempts to resolve the compatibility issues between individuals. Failing resolution, team members must be replaced. In the event a Tyler team member is determined to be incompatible, Tyler will replace with a new team member and provide time to orient to the project before assuming their respective responsibilities.

Client Staff unavailability

Risk: Delays in the project timeline will occur if appropriate Client staff is unavailable to meet with or respond to Tyler for timely decisions and or directions.

Mitigation: Client should ensure that staff assigned to this project is given sufficient priority and authority to work with Tyler while completing other Client responsibilities in a timely fashion. Decisions must be made in hours and days, not weeks.

Scope Changes

Risk: Poorly defined projects always take longer than expected or cost more than expected because of poorly defined scope at the beginning of the project.

Mitigation: Both parties must ensure that the scope of the project is well stated and completely defined to the best of each party's knowledge. Functional requirements should be reviewed carefully to ensure completeness. Change Orders are required to document any subsequent impact on schedule and/or costs.

Activity Focus

Risk: Activity Focus is the risk that minor activities consume time that should otherwise be dedicated to major activities of the project, with the end result of time and/or costs overrunning budget. This risk is sometimes associated with efforts that lead to scope changes. Examples include meetings of little substance or that go longer than they need, or time consumed investigating undocumented functionality or other activities not in scope.

Mitigation: Project Managers for both Parties must guard themselves to avoid focus drift by ensuring the focus is squarely on meeting deadlines, services, and configuration requirements of the implementation as planned and documented in the planning, assessment and definition stages.

Incomplete Legacy, Interface Documentation

Risk: During the project certain third party documentation will be required for such tasks as interface development and import of legacy data and others.

Mitigation: Client should ensure that APIs, specific documentation, or file specifications for interfacing to other systems is available to Tyler and that legacy data imports are known in advance of need.

Achievable Goals

Risk: The expectations of this project are set too high or are not explicit or clear to Client Staff and thus not communicated to Tyler through Functional Requirements and clearly stated scope.

Mitigation: The parties must ensure, through the Contract and Task Orders, that the goals of the project are explicit, well defined and attainable, and that both parties have “signed off” on the requirements.

Technology Age

Risk: This risk is highly dependent on the choice of Tyler products and whether the Client is hosting any of those products. If the Client will be hosting its own servers, the technology utilized should be robust to enough to meet the Client’s needs for several years into the future. Technology that barely meets minimum requirements today will be insufficient as the system and its needs grow.

Mitigation: Tyler will assist Client in determining optimal technology and plans to guard against premature obsolescence.

CRITICAL SUCCESS FACTORS

In order to successfully execute the services described herein, there are several critical success factors for the project that must be closely monitored. These factors are critical in setting expectations between the Client and Tyler, identifying and monitoring project risks, and promoting strong project communication.

- **Knowledge Transfer** - While Tyler cannot guarantee specific expertise for Client staff as a result of participating in the project, Tyler shall make reasonable efforts to transfer knowledge to the Client. It is critical that Client personnel participate in the analysis, configuration and deployment of the Tyler software in order to ensure success and to transfer knowledge across the organization. After completion of the production phase, the Client will be responsible for administering the configuration and introduction of new processes in the Tyler system.
- **Dedicated Client Participation** – Tyler fully understands that Client staff members have daily responsibilities that shall compete with the amount of time that can be dedicated to the Tyler implementation project. However, it is critical that the Client understands and acknowledges that its staff must be actively involved throughout the entire duration of the project as defined in the Project Plan. Tyler shall communicate any insufficient participation of Client and Tyler resources, as well as the corresponding impact(s), through Project Status Reports.
- **Acknowledgement Process** – Acknowledgment must be based on criteria. The objectives and tasks of each stage of a project provide the basic criteria by which to judge acceptance of a stage is to be granted. Within each stage additional criteria will be developed by team members on which to judge future stages. For example, User Acceptance Testing will be based on criteria developed in earlier stages.

As resources are consumed, Tyler shall provide the Client with a Work Acknowledgement Form (see Attachment A-(Sample) Work Acknowledgement Form) to formalize receipt. The Work

Acknowledgment Form is subsequently signed by the appropriate Client stakeholder(s), and faxed or emailed to Tyler. Timely and honest acceptance is required to maintain project momentum. Failure to properly establish acceptance criteria or failure to accept a properly completed stage will cause delays in the project.

In an effort to ensure quality and complete satisfaction with each stage of the project, Tyler's professional services division has established the following rule: A Signed Work Acknowledgement Form (see Attachment A) is required upon completion and Client-acknowledgement of the resources consumed on the project. Stage signoff is also required before proceeding to the next stage in the process.

- **Managing Project Scope** - In an effort to implement the project on time and within budget, both Tyler and Client agree to limit the software and professional services to only those items identified in this Statement of Work. Expanded scope results in additional costs.

Change orders or contract addendums for additional items outside the scope of the defined project requirements must be submitted in advance and signed by project stakeholders before work can be accomplished on those items. Likewise, reductions of the defined scope will also require a Change Order.

FUTURE AMENDMENTS TO SCOPE

Future changes in the project scope, beyond the capability of a Change Order, will assume the appropriate processes outlined in this Statement of Work and in the Agreement, unless future scope changes require a different or modified process. If no new Statement of Work is required, then new functionality and payment requirements are provided for in an amendment to the initial Agreement.

PROJECT MANAGEMENT

Tyler performs ongoing project management services throughout the implementation in order to plan and monitor execution of the project. Project Management includes the following tasks:

- Project plan
- Project document management
- Issue log management and escalation
- Status reporting
- Change order management
- Resource management
- Executive project oversight via Executive Sponsor and Project Review Committee

By mutual agreement some project management tasks are shared between the Tyler Project team and the Client Project Manager/Stakeholders.

STAFFING

Every reasonable effort is made to maintain a consistent project team from Tyler for the duration of the project. Should the Client have concerns related to assigned resources, those concerns should be submitted to the Tyler Project Manager or Tyler Management Staff for review and consideration. Tyler will make staffing decisions based on appropriate skill set and other soft skills of resources deemed compatible to the success of the project.

PROJECT SCHEDULE

Upon execution of the contract, the parties will subsequently collaborate during the project planning and initiation stage to determine a start date for services to be rendered. Upon initiation of these services, Tyler shall work with Client to collaboratively define a baseline or preliminary project schedule/plan. Given the fact that project schedules are working documents that change over the course of the project, Tyler shall work closely with Client to update, monitor, agree, and communicate any required changes to the project schedule.

Development Tools

No special development tools are required for the Tyler software. Tyler source code is not accessible (unless through the requirements of an Escrow Agreement).

The configuration tools are built into the software, and the Client has full access. The Tyler implementation staff will use these same configuration tools to set up the system with the Client. The Client will receive training on the use of these tools.

Third party report writers (i.e. Crystal Reports) – Some clients may choose to use a third party report writer like Crystal Reports to create/modify their own reports. The Client is responsible for the procurement of a license of this third party report writer. Tyler does not provide training or assistance on the creation of such reports and recommends this function be reserved for System Administrator or designated staff who have the skills and necessary access, and who understand the application databases.

Documentation

Tyler-provided documentation

Over the course of the 5stage implementation lifecycle, the Tyler project team will provide stage-specific documentation in a range of formats (both editable and non-editable). Examples include:

- Data Collection docs (MS Excel and/or MS Word) for configuration
- Training Documentation Templates (MS Word and MS PowerPoint)
- Release Notes for Service Packs (PDF)
- Other documentation as required for the specifics of the project.

Client-provided documentation

A definitive list of Client-provided documentation is not possible until all aspects of the implementation are determined, usually in the beginning stages of the project. Certainly, Client's assistance in completing the Tyler-provided forms and requests for configuration information is essential to a successful project. The Tyler Project Manager will provide the Client with detail of the documentation necessary for each product to be successfully implemented. The list below is a sample of the types of documentation that is likely to be requested.

Documentation originated by the Client includes:

- Application Programming Interface documents (API's) for any third-party software system to which the Tyler software will interface and exchange data.
- Legacy system data documentation and data in a format suitable for conversion into the Tyler System (please see section titled Data Conversion).
- Workflow documentation on the Client's current business processes
- Copies of pertinent ordinances or other controlling authorities

- Fee Schedules
- Copies of existing forms and other documents presented to the public and expected to be derived from the Tyler Software.

SOW ATTACHMENTS LISTING

<p>SOW Attachment A – (Sample) Work Acknowledgement Form</p> <p>This form provides the means for the Client to accept work provided or provide reason for denial of a work.</p>
<p>SOW Attachment B – (Sample) Change Order Form</p> <p>Any change in the project must have a completed and approved Change Order.</p>
<p>SOW Attachment C - Hardware / Software Requirements</p> <p>This document provides the recommended hardware/software requirements for the Tyler system. Performance using systems which do not meet these requirements may not have expected performance levels.</p>
<p>SOW Attachment D – Standard Interfaces</p> <p>This document provides a summary description of the purpose and function of the interface along with field specifications.</p>
<p>SOW Attachment E – Conversion Detail</p> <p>Provides a description of the conversion process and legacy data specifications for each application suite.</p>

Attachment B- Change Order Form

Change Order Form

Client: _____ **Date:** _____

Generated By: _____

Authorized By: _____

Change Overview:

--

Narrative Description of Change:

--

Impact of Change:

Schedule Impact: Delay of milestone & sub-tasks on Tyler Technologies Implementation Project Plan including:

Task	Proposed Date Changes

Cost Impact:

Change Detail	Credit	Debit	Total

Revision No.: _____

No changes may be made to this project without the agreement of the Project Manager(s), and must be approved by the Project Director. Submit endorsed Change Order to the Tyler Technologies' Project Manager

Date Approved	Comments	Approved By	Signature



Incode V.X Solution

SYSTEM REQUIREMENTS

Tyler’s software is designed to operate on networks and operating systems that meet certain requirements. Systems that do not meet the required specifications may not provide reliable or adequate performance, and Tyler cannot guarantee acceptable results.

SITE ASSESSMENT

Your site’s system requirements are contingent upon several factors. Tyler uses a point system to help determine which specifications and configurations work best for your site. This document will help Tyler determine which setup is best for you.

For each of the following applications that your site will use, indicate your site’s quantity for each application variable. Each quantity has a pre-determined Point Value in parentheses, which is used to tabulate your “Total Point Value” below.

CIS		# of accounts	NA (0)
			1–5,000 accounts (4)
			5,001–25,000 (6)
			25,001+ (10)
Court		# of violations per year	NA (0)
			1–10,000 violations (3)
			10,001–60,000 (6)
			60,001–150,000 (11)
Financials	AP	# of vendors	NA (0)
			1–1,000 vendors (1)
	FA	# of assets	1,001–3,000 (2)
			3,001+ (3)
		# of funds	NA (0)
			1–25 funds (1)
			26–100 (2)
			101+ (3)

	PY	# of employees	NA (0) 1–100 employees (1) 101–250 (2) 251+ (3)
Tax		# of parcels	NA (0) 1–20,000 parcels (3) 20,001–40,000 (6) 40,001+ (10)
TCM		# of documents processed per year	NA (0) 1–12,000 documents (1) 12,001–50,000 (2) 50,001+ (5)

Total Point Value

SERVER SPECIFICATIONS

For the following table, use your Total Point Value from above to determine which specifications are required for your site’s business needs.

- The single server configuration is denoted as “Single”.
- Dual server configurations are broken into Application Server (AS) and Database Server (DB) requirements.

Component	Requirement	Specifications					
		TOTAL POINT VALUE					
		1–5	6–10		11–30		31+
		Single	AS	DB	AS	DB	
Processor	Xeon Quad Core (GHz) ¹	•	•	•	•	•	Contact Tyler for custom specifications.
Memory	GB RAM	16	8	16	16	32	
Available Disk Space^{2,3}	Bus 1	100 GB	100 GB	100 GB	100 GB	100 GB	
	Bus 2	500 GB	500 GB	1 TB	500 GB	3 TB	

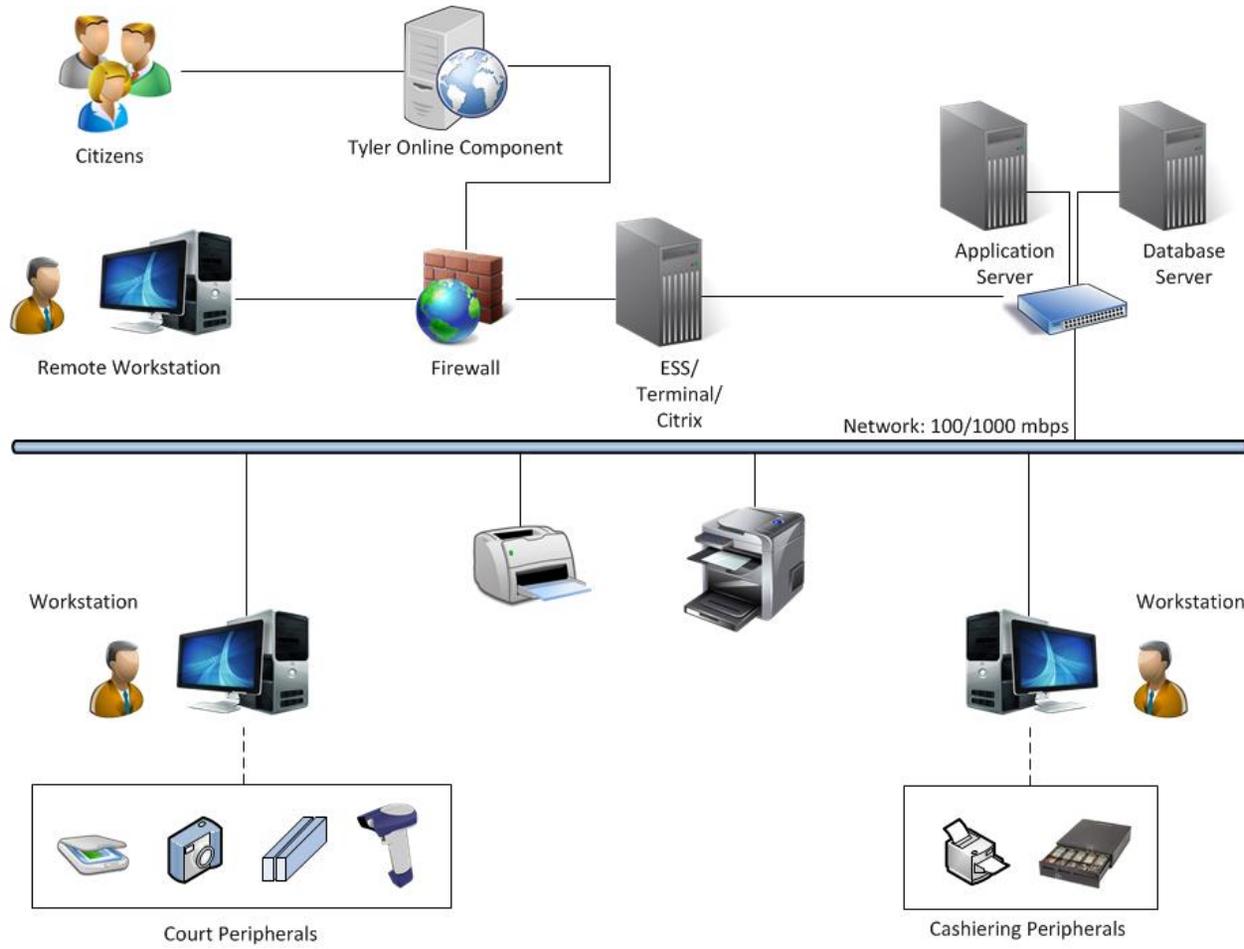
¹ If running in a virtual environment, four virtual cores are needed.

² Tyler’s standard maintenance plan includes an automatic backup of your database in this disk space.

³ If using TCM, these storage requirements may increase. See page 5 for details.

ESS Users: If you need external access to ESS, a dedicated server is recommended. This additional server requires the same specifications indicated in the Application Server (AS) column based on your Total Point Value.

REQUIREMENTS
Configuration Diagram



Server Configuration

Component	Requirement	
General Server	Dedicated Server	
	MS Windows Certified Server ⁴	
	Removable Media (for backups)	
	Gigabit Ethernet	
Operating System	MS Windows 2008 R2 Server (x64) Standard or Enterprise	
Database Component	MS SQL Server 2008 (x64) Standard or Enterprise ⁵	
Network Environment	Domain w/Active Directory Services	
	Internet Information Services (IIS) 7	
	.NET 3.5 Framework	
Hard Drive Arrays	For OS	SAS RAID1
	For SQL, Transaction Logs, DB files, and V.X program files	SAS RAID5 or SAS RAID10

⁴ Nationally recognized brand

⁵ If running a dual server configuration, this is only needed on the database server.

Workstation

Component	Requirement
Hardware	Microsoft Windows Certified PC ⁶
Processor	Pentium Core 2 Duo
Memory	4 GB RAM
Disk Space	10 GB available
Operating System	Windows XP Professional or Windows 7 Professional ⁷
Network	100/1000 mbps Ethernet
Network Environment	Workstation is a member of the Domain ⁸
Graphics	128 Dedicated Graphics—Running 1280x1024 ⁹

⁶ Nationally recognized brand

⁷ Windows 95/98/ME, XP Home, and Vista Home editions and workgroup or peer-to-peer networks are not supported.

⁸ Tyler's V.X servers and workstations must authenticate with and be members of a Microsoft Active Directory network. Workgroup and peer-to-peer networks are not supported.

⁹ The V.X application windows are not fully visible at resolutions lower than 1280x1024.

Remote Workstation

Tyler requires a remote access solution such as Citrix or Windows Terminal Services for any workstations accessing the server with a direct connection of less than 100 mbps full-duplex. For best results, remote workstations should run Citrix or Terminal Services over a permanent VPN tunnel.

Peripherals

Cashiering Equipment

Equipment	Model
Receipt Printer	Epson 6000 or Epson 950
Cash Drawer	Media Plus Automated Cash Drawer
Barcode Scanner Utilities	Symbol LS2208
Card Swiper	Magtek Mini Swipe Reader

Workstations designated as Cashiering stations require parallel ports for Epson TM-U950P Receipt Validation Printers. Epson TM-H6000III Thermal Receipt Printers require USB ports and can be configured for Ethernet with optional adapters. An approved ETS-encrypted mag stripe reader is required for card reading.

Court Equipment

Equipment	Model
Signature Pad	Topaz Signature Pad T-L462
Camera	Logitech C310HD WebCam

Printer Compatibility

Many V.X users print forms and reports directly from the application to their printers. We recommend using laser printers because they offer universal compatibility for all applications.

Printer Type	Reports	Forms	Additional Criteria
Any Laser Printer ¹⁰	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	PCL 5 or above

¹⁰Dot matrix printers are not supported. HP Printers are highly recommended.

Scanner Compatibility

If you are using TCM, TWAIN compatible scanners are required. You can use any TWAIN compatible scanner; however, if it's not listed in the chart below, you may have reduced functionality.

Scanner Brand	Scanner Model
Canon	<ul style="list-style-type: none"> • DR-5010C • DR-2510C • DR-4010C • DR-3010C • DR-M160
	<ul style="list-style-type: none"> • DR-X10C • DR-7550C • DR-6050C • DR-9050C

Fujitsu	<ul style="list-style-type: none"> • fi-6110 • fi-6670 • fi-6770 • fi-6240Z 	<ul style="list-style-type: none"> • fi-6130Z • fi-6140Z • fi-6230Z
Graphlex	<ul style="list-style-type: none"> • CS500 Pro¹¹ 	
Hewlett Packard (HP)	<ul style="list-style-type: none"> • ScanJet 8250¹¹ • ScanJet 8350¹¹ • ScanJet 8390¹¹ 	
Panasonic	<ul style="list-style-type: none"> • KV-S2045C¹¹ 	
Xerox	<ul style="list-style-type: none"> • Documate 152¹¹ 	

¹¹ Not fully supported – These scanners have not been tested in our lab. They are in use by one or more customers and may have issues that have not been reported.

TCM STORAGE REQUIREMENT

TCM requires disk space beyond the basic Specifications listed on page 2. The additional storage requirement is calculated using several factors: the number of pages processed a year, the types of images processed, your site’s expected growth rate, and a buffer, which protects you from unforeseen changes to these factors.

Image storage requirements must be calculated on a client-by-client basis and the amount of storage required is determined in pre-sales technical discussions. Since TCM can vary widely, it is good practice to discuss your specific storage needs with Tyler.

To help you calculate your site’s storage needs, the following Lossless Compression table illustrates the file size associated each of the 10 different Image Types.

Lossless Compression

Image Type			File Size
DIMENSIONS/ FILE TYPE	COLOR	DPI	
8.5 x 11 TIFF	B&W	200	.05 MB
		300	.1 MB
		600	.4 MB
	Grayscale	200	100 MB
		300	6 MB
		600	24 MB
	Color	200	12 MB
		300	24 MB
		600	96 MB
8.5 x 11 PDF¹²	B&W	(Page)	1.3 MB

¹² This PDF estimate is based upon the average-size document generated directly from a Tyler application. It does not include embedded fonts and is simply a representative sample.

Estimating Storage Requirements

To estimate your storage needs, use your site’s records and the previous table.

For each Image Type shown above that your site will store, identify the following values:

- A. Number of pages processed a year¹³ _____
- B. Respective file size for the Image Type (MB) _____

- C. Number of Years of Storage _____
- D. Growth Rate (% as decimal value) _____
- E. Conversions Only: Existing Database Size (MB) _____
- F. $A \times B \times C$ _____
- G. $D \times F$ _____
- H. $E + F + G$ _____ Base Number

¹³ If your site only tracks the number of documents per year, multiply that number by 5 to get your page-based number for calculating Tyler's storage requirements. The standard document size for most Tyler applications is 5 pages.

Standard Recommendation

- To replicate data, multiply your Base Number x 2: _____ MB

Backup Recommendation

- To dump the database to disk, multiply your Base Number x 3: _____ MB

RECOMMENDED BACKUP PROCEDURES

Developing a consistent backup strategy is a vital part of any organization's business continuity plan. A good backup plan ensures that you do not lose the hard work and time you invested in data entry if a hardware failure or natural disaster occurs. A plan such as this is easy to develop and usually easy to implement. This section outlines the steps you should take to properly back up your V.X data.

Rotating Tapes

First, establish a good tape rotation for your backups. Tyler recommends that you use, at a minimum, the following 6-tape rotation:

Week 1				
M	T	W	Th	F1
Week 2				
M	T	W	Th	F2

This rotation is sufficient for most customers because it allows you to go back a few business days to find files. However, if you feel you need a little more protection, you can use a different set of tapes for Mon-Thurs of Week 2, and/or you can keep a Fri 3 and Fri 4 tape so that you have a month's worth of Friday backups. We also recommend that you periodically (monthly, quarterly, etc.) pull a tape permanently out of rotation to store off site.

We do NOT recommend the use of differential or incremental backups. Performing a full backup of the entire V.X folder every night will allow you to restore files without having to use a series of tapes to perform the restore. This turns a restore process into a much more manageable and less time-consuming process.

Backing Up Your SQL Database

For customers who use Microsoft SQL for the V.X database, there are additional backup requirements for your V.X software. In addition to backing up the \DATA folder (and others mentioned above), you must also back up your Microsoft SQL databases. For V.X, the default databases should consist of at least Tyler_Configuration, Tyler_QBE, and Tyler_Financials.

There are a few different methods for backing up your SQL database.

- **SQL Backup Function:** The Microsoft SQL Server 2008 R2 Management Studio has built-in backup tools that can cause SQL to dump the V.X database to a backup file in the SQL default backup folder while the SQL services are running. This location is:

```
C:\Program Files\Microsoft SQL Server\MSSQL\Backup\*
```

* The Microsoft SQL Server installation path may vary slightly per installation.

- **Third-Party Backup Agent:** This method requires that you have some sort of third-party backup program (e.g., Symantec Backup Exec, Brightstor ARC Serve, etc.) which uses a SQL backup agent. These special backup agents allow the Microsoft SQL databases to be backed up while they are online.
- **Script:** You can create a script which stops the Microsoft SQL Server service before a normal tape backup and restarts it after the tape backup is complete. This allows you to back up the *.mdf and *.ldf files (the database and transaction log, respectively) in:

```
C:\Program Files\Microsoft SQL Server\MSSQL\data  
directory*
```

If you choose this route, Tyler can assist you with creating this script at the time of the V.X software installation.

Other Directories in the V.X Folder

For V.X, you need to backup `C:\Program Files\Tyler Technologies*`. As we add features and functionality to our software, the number and size of the applications and runtimes needed to run our applications will continue to grow.

Watching for Signs of Failure

Monitor your backup's status every morning. If there is a noticeable problem, such as an error light blinking on your tape drive, a tape being ejected without your knowledge, or an error message displaying about your backup, please contact us or your IT staff so that the problem can be resolved quickly.

Accepting Responsibility

Having good backups of V.X data is your responsibility. However, Tyler Technologies offers additional services that can help monitor your local backups, transmit your data to off-site locations, and even provide access to your V.X software and data over the Internet in case of disaster or serious equipment failure at your site.

Disaster Recovery

In case of system failure due to unforeseen disaster, Tyler recommends that you have a Business Continuity Plan, which should include a disaster recovery service. Tyler offers a

disaster recovery service for an additional fee. If you haven't already purchased this plan, contact Technical Services or Sales at 1-800-646-2633 for more information.

V.X Utility Billing Handheld Meter Reader Interface

Purpose

The handheld meter interface allows users to define the definitions for meter reading import and export files.

File Definition

The interface allows users to define how to interpret data records from an external file that can be exported from the system and or imported from another system. The data in these files is then used to update meter reading data. Users can define multiple definitions and save them in the system.

File layout options are:

- File Type Options
 - Binary Sequential
 - Delimiter
 - (None)
 - Comma
 - Tab
 - Line Sequential
 - Delimiter
 - (None)
 - Comma
 - Tab
 - XML File
 - No Delimiter
- Record Type Options
 - Header
 - Section Header
 - Detail
 - Section Trailer
 - Trailer

Data elements available are:

- Field Names – Record Type “Header”
 - Account Number
 - Beginning Account
 - Create Date
 - Create Time
 - Cycle
 - Ending Account
 - Filler
 - Job Label
 - Job Number
 - Job Wording
 - Line Return
 - Meter Count
 - Projected Read Date
 - Radio Count
 - Record Id

- Record Type
- Route
- Route Count
- Route Segment
- Field Names – Record Type “Section Header”
 - Account Number
 - Beginning Account
 - Create Date
 - Create Time
 - Cycle
 - Ending Account
 - Filler
 - Job Label
 - Job Number
 - Job Wording
 - Line Return
 - Meter Count
 - Projected Read Date
 - Radio Count
 - Record Id
 - Record Type
 - Route
 - Route Count
 - Route Segment
- Field Names – Record Type “Detail”
 - 50ESS
 - Account
 - Account Number
 - Account Service UDD
 - Account Status
 - Account UDD
 - Add. Full
 - Add. Number
 - Add. Number/Street
 - Add. Street
 - Add. Unit
 - Address Service UDD
 - Alert Code
 - Badger Serv. Number
 - Billing Cycle
 - Cannon Meter
 - Current Read
 - Customer Class
 - Cycle
 - Datamatic Read Type
 - Demand Decimals
 - Device Code
 - Dialog N/W ID
 - Dials
 - Expected Consumption
 - Filler

- High Audit
- High Consumption
- Instruction Code
- Itron Read Type
- Job Label
- Job Number
- Latitude
- Line Return
- Location Code
- Location Description
- Longitude
- Low Audit
- Low Consumption
- Meter Group Code
- Meter Make
- Meter Number
- Meter Read Type
- Meter Sequence
- Meter Serial
- Meter Size
- Meter Status
- Meter Type
- Meter UDD
- MTS Indicator
- Multiplier
- Name
- No Delimiter
- Number Estimated
- Occupant
- Prev. Demand Cons.
- Prev. Demand Read
- Prev. Read
- Prev. Read Date
- Prev. Read Minus X
- Prev. Read Plus X
- Property Acc. Number
- Read Group
- Read Sequence
- Reading Skip
- Record Counter
- Record ID
- Record Type
- Remote Read ID
- Remote Read Type
- Route
- Route Segment
- Service Address UDD
- Service Category
- Service Code
- Service Description
- Slot

- Tamper Code
- Touch Meter Number
- TWACS Account Slot
- Walk Sequence
- Field Names – Record Type “Section Trailer”
 - Account Number
 - Beginning Account
 - Create Date
 - Create Time
 - Cycle
 - Ending Account
 - Filler
 - Job Label
 - Job Number
 - Job Wording
 - Line Return
 - Meter Count
 - Projected Read Date
 - Radio Count
 - Record Id
 - Record Type
 - Route
 - Route Count
 - Route Segment
- Field Names – Record Type “Section Trailer”
 - Account Number
 - Beginning Account
 - Create Date
 - Create Time
 - Cycle
 - Ending Account
 - Filler
 - Job Label
 - Job Number
 - Job Wording
 - Line Return
 - Meter Count
 - Projected Read Date
 - Radio Count
 - Record Id
 - Record Type
 - Route
 - Route Count
 - Route Segment

V.X Utility Billing Payment Import

Purpose

The Utility Billing Payment Import feature allows payments to be imported into a Payment Process or Cashiering from a file.

File Definition

The import file definition describes how to interpret data records from an external file and then create payment info in the V.X Utility Billing system. Users can create multiple different file import layout definitions and save them in the system.

Data elements available are:

- Account
 - **Required**
 - This would be the utility account number the payment should be processed against.
- User Defined
 - Optional
 - In this section users would be able to choose from the list of User Defined fields that have been created against the Utility Billing account.
- Payment Amount
 - **Required**
 - This would be the payment amount that will be processed against the Utility Billing account.
- Reference
 - Optional
 - This is a reference value that will be assigned to the payment transaction's reference field.

File layout options are:

- Fixed Width
 - User are able to define the starting position and length for each field
- Delimited
 - Comma
 - Tab

Fixed Width File Example:

- a. The example below shows a fixed width file containing the Account Number, Amount, and Reference field.

ACCOUNT NUMBER	AMOUNT	REFERENCE
001-00015-000	100.00	CHK#10002
500-01411-001	591.32	
099-02225-030	1245.25	CC54545454

Delimited File Example:

- a. The example below shows a comma delimited file containing the Account Number, User Defined field, Amount, and Reference field.

ACCOUNT NUMBER, USER DEFINED, AMOUNT, REFERENCE

001-00015-000,, 100.00, CHK#10002

500-01411-001,, 591.32, EDG5G854F5

099-02225-030,, 1245.25,

Financial Conversion Summary

This document is a summary of what is included in the standard conversion for Tyler Technologies Financial Suite. This is not a complete description; for a complete description, please refer to the *Tyler Technologies Financial Data Conversion Specification* document available upon request.

Client Responsibilities

- Data in Tyler's Standard Data Layouts or approved formats
- Provide data definitions
- Provide matching reports
- Provide screen shots
- Review conversion prior to go-live

Data Conversion

Each area of the financial conversion has different options depending on the level of data to be converted. Each option has a different cost associated with it. Certain options cannot be converted unless other options are purchased. Full dependencies are detailed in the *Financial Data Conversion Specification* document.

General Ledger

Standard Conversion Includes:

- Fund and account lists
- Summarized history for current fiscal year plus two prior fiscal years
- Budgets and budget adjustments for current fiscal year plus two prior fiscal years

Additional Options:

- Additional summarized history and budgets (fee per fiscal year)
- Transaction history stored in Historical Legacy Views
- Transaction history (fee per fiscal year)

Accounts Payable

Standard Conversion Includes:

- Vendor master information, address, primary contact
- 1099 balances provided by client for current year

Additional Options:

- Vendor notes and additional contacts
- Detailed history stored in Historical Legacy Views
- Detailed vendor invoice history, payable items and distribution (fee per fiscal year)
- Additional vendor sets (fee per set)

Personnel Management (Payroll and Human Resources)

Standard Conversion Includes:

- Basic employee information – employee master, address, primary contact, standard dates (i.e., hire, birth, leave, termination), standard phones (i.e., work, home, cell), direct deposit, position, retirement, deductions and taxes
- Current year leave balances
- Current year detailed employee pay history such as paycheck, earnings, earning distribution, deductions and taxes OR current year quarterly summarized history

Additional Options:

- Dependent details, additional contacts, notes, additional dates (e.g., anniversaries, seniority), additional phones (e.g., spouse, fax)
- Direct deposit detailed history
- Additional payroll set (fee per set)
- Additional detailed employee pay history stored in Historical Legacy Views
- Additional years of employee pay history (fee per year)
- Human Resources data such as certifications, discipline, education, grievances, reviews, photos, training, and workers compensation (custom quote)

Fixed Assets

Standard Conversion Includes:

- Asset information, improvements
- Accumulated totals, no history

Project Accounting

Standard Conversion Includes:

- Open Projects, project accounts and project notes
- Open project account budgets
- Open project account detail

Inventory

Standard Conversion Includes:

- Inventory items, item locations and item vendors

Applications not converted

- Work Orders
- Bank Reconciliation
- Employee Self Services/Time & Attendance
- Purchase Order

Custom Conversion Services

The following are a few examples of items that are **not included** in the standard conversion and can be addressed through custom conversion services:

- Combining/splitting of GL account numbers
- Converting records with counts lower than 50 for Personnel Management, 100 for Fixed Assets and 250 for all other modules
- Cross referencing beyond Tyler Technologies' defined standardized codes
- Running more than 3 standard conversions
- Data cleaning; including but not limited to name clean-up and data fixes
- Converting from multiple sources of data

- Tyler Technologies assisting in data extraction from your existing system
- Tyler Technologies defining file layouts if not provided
- Changing configuration after sign-off

Data Extract

The standard conversion includes converting from a single source of data. If data is stored in multiple databases or data is provided in multiple formats custom conversion services may be required.

If unable to provide the data in Tyler's Standard Data Layouts your data will need to be provided in **one** of the following formats:

- Microsoft SQL Server database
- Microsoft Access database
- Delimited ASCII text files (pipe "|" delimited is preferred)
- Excel spreadsheets – with flat data, not grouped like a report

The screen shots and matching reports need to be provided to Tyler Technologies at the same time as the data. To ensure the reports accurately represent the data, staff should exit the software prior to pulling the data and restrict processing of any transactions until after the reports have been generated. If the reports don't accurately represent the data an additional data pull may be required, which could result in a delay in the schedule.

It is important to understand that the conversion will not "rehabilitate" old data. The conversion process does not clean up or correct problems in old data; data is converted one for one. For example, if the current system allowed punctuation, the new software will also display data with the exact same punctuation after the conversion. If data manipulation is desired, please contact your Project Manager to assist in preparing a work order for these services.

Utility Billing Conversion Summary

This document is a summary of what is included in the standard conversion for Tyler Technologies Utility Billing Suite. This is not a complete description; for a complete description, please refer to the *Tyler Technologies Utility Billing Data Conversion Specification* document available upon request.

Client Responsibilities

- Data in Tyler's Standard Data Layouts or approved formats
- Provide data definitions
- Provide matching reports
- Provide screen shots
- Review conversion prior to training and go-live

Data Conversion

The Utility Billing conversion has additional options that can be purchased depending on the level of data to be converted. Each option has a different cost associated with it.

Utility Billing

Standard Conversion Includes:

- Utility Contact Information
- Utility Mailing and Billing Addresses
- Utility Properties
- Account Master
- Meters
- Transaction History – Includes current year plus 1 prior year
 - If the transaction history is not clean it may not be possible to convert. In this case, balances would be required to be provided by you and these would be converted in place of the detailed transactions.
- Services Metered – Includes 1 metered services
- Services Non-Metered – Includes up to 2 non-metered services
- Bill Compare ran against one billing cycle
- Standard User Defined Fields

Additional Options:

- Bank Codes and Bank Drafts
- **ACTIVE** Deposits
- Device Inspections
- Renumbering of Accounts
- Contracts
- Notes
- Additional Years of Transactional History (per year)
- Devices
- AMP (Average Monthly Payments)
- Energy Assistance
- Sewer Assistance
- Winter Average
- Additional Metered Services (over one)
- Additional Non-Metered Services (over two)

Not Converted:

- Deposit History
- Service Orders
- Meter Change Outs

Custom Conversion Services

The following are a few examples of items that are **not included** in the standard conversion and can be addressed through custom conversion services:

- Converting records with counts lower than 1000 accounts
- Multiple Bill Compares on multiple cycles. This will require additional “Before” and “After” billing data along with additional hours.
- Cross referencing beyond Tyler Technologies’ defined code tables
- Additional User Defined Fields
- Converting of compound meters
- Additional Contact information for Non-Utility accounts
- Additional Properties for Non-Utility accounts
- Running more than 3 standard conversions
- Data cleaning; including but not limited to name clean-up, parsing names/address and data fixes
- Converting from multiple sources of data
- Tyler Technologies assisting in data extraction from your existing system
- Tyler Technologies defining file layouts if not provided
- Changing configuration after sign-off

Data Extract

The standard conversion includes converting from a single source of data. If data is stored in multiple databases or data is provided in multiple formats custom conversion services may be required.

If unable to provide the data in Tyler’s Standard Data Layouts your data will need to be provided in **one** of the following formats:

- Microsoft SQL Server database
- Microsoft Access database
- Delimited ASCII text files (pipe “|” delimited is preferred)
- Excel spreadsheets – with flat data, not grouped like a report

The screen shots and matching reports need to be provided to Tyler Technologies at the same time as the data. To ensure the reports accurately represent the data, staff should exit the software prior to pulling the data and restrict processing of any transactions until after the reports have been generated. If the reports don’t accurately represent the data an additional data pull may be required, which could result in a delay in the schedule.

It is important to understand that the conversion will not “rehabilitate” old data. The conversion process does not clean up or correct problems in old data; data is converted one for one. For example, if the current system allowed punctuation, the new software will also display data with the exact same punctuation after the conversion. If data manipulation is desired, please contact your Project Manager to assist in preparing a work order for these services.

EXHIBIT A

Investment Summary
 Carolyn Galloway-Cooper
 City of Buellton, CA



Prepared for:	City of Buellton, CA	Contract ID # :	2014-0162
Contact Person:	Carolyn Galloway-Cooper	Issue Date:	6/23/14
Address:	107 West Highway 246 Buellton, CA 93427-1819 (805) 686-0137	Sales Rep:	K. Winget
Phone:		Tax Exempt:	Yes / No
Fax:			
Email:	carolync@cityofbuellton.com		

Product, Service & Equipment	Upon Execution	Upon Delivery	As Agreed Upon	As Progress Occurs	Totals	Annual Fees
Total Hosted (Online) Applications		400			400	480
Total Applications Software	13,090	31,415				12,677
License Fees - INCODE Financial Suite			3,222		21,483	
License Fees - INCODE Personnel Management Suite			1,328		8,850	
License Fees - INCODE Customer Relationship Management Suite			2,644		17,625	
License Fees - INCODE Document Management Suite			860		4,400	
Less Discount	(7,330)	(17,592)	(4,398)		(29,320)	
Total Professional Services						
Implementation				33,500	33,500	
Project Management & Final Implementation				10,000	10,000	
Data Conversion				32,750	32,750	
Annual Services						
Employee Self Service						825
Tyler On Demand - Tyler U						450
Totals	5,759	14,223	3,456	76,250	99,688	14,432

Please Note: Travel expenses will be billed as incurred.

Software Licenses

Caroyln Galloway-Cooper
City of Buellton, CA
June 23, 2014



Application Software	QTY	Hours	License Fee	Estimated Services	Annual Fee
Incode Financial Management Suite					
Core Financials <i>(General Ledger, Budget Prep, Bank Recon, Accounts Payable)</i>		60	21,483	16,500	5,371
CAFR Statement Builder		20			
Positive Pay					
Purchasing		24			
Fixed Assets		16			
Project Accounting		12			
Incode Personnel Management Suite					
Personnel Management		48	8,850	6,000	3,038
Employee Self Service <i>(Number of FTE Employees)</i> <i>(Employee Portal)</i>	25	24			N/C
ESS Time & Attendance <i>(Number of FTE Employees)</i>	25	24			825
Incode Customer Relationship Management Suite					
Utility CIS System		60	17,625	10,000	3,994
Utility Payment Import <i>(Generic Interface)</i>		Included			
Utility Handheld Meter-Reader Interface		Included			
Cashiering <i>(Support Credit/Debit Cards via ETS, PCI Compliant)</i>		8			
Miscellaneous Accounts Receivable		12			
Incode Content/Document Management Suite					
Incode Printing and Reporting Solutions					
Standard Forms Package <i>(4 Overlays for Financials, 5 Overlays for CRM, 1 Logo)</i>		Included	4,400	1,000	1,100
Output Director					
Output Director <i>(Base Engine, Print Output Channel, Tyler Content Management Output Channel, Email Output Channel)</i>		8			
Professional Services					
Final Implementation		40		10,000	
Project Management				5,000	
Incode Application Subtotal					
System Software Subtotal					
Professional Services					
Preferred Customer Discount (56%)					
			23,038	43,500	13,502
Application and System Software Total			23,038	43,500	13,502

Professional Services

Caroyln Galloway-Cooper
 City of Buellton, CA
 June 23, 2014



Conversion Services	QTY	Programming Fee	Hours	Estimated Services	Conversion Fee
Financial Applications					6,500
General Ledger		3,000	8	1,000	
- Chart of Accounts					
- Budget (2 years)					
- Summarized History (2 years)					
Accounts Payable		2,000	4	500	
- Vendor Master Info, address, primary contact					
- 1099 Balances (current year)					
Personnel/Payroll Applications					8,500
Personnel Management/Payroll		5,000	28	3,500	
- Basic Employee Information - employee master, address, primary contact, standard dates (i.e. hire, birth, termination, leave), standard phones (work, home, cell), current direct deposit, current position, retirement, employee deductions, employee taxes					
- Current Year Leave Balances					
- Current Year detailed employee pay history - paycheck earnings, earning distribution, deductions and taxes OR current year quarterly summarized history					
Utility Billing					15,250
Utility - CIS		10,000	28	3,500	
- Contacts/Properties/Accounts					
- Service meter info - meter inventory					
- Transaction/Consumption/Read History (2 Years)					
- Metered services (1 metered service)					
- Non-Metered service (up to 2 services)					
Additional Year - Transactional History	1	1,500	2	250	
Permitting & Licensing					2,500
Accounts Receivable		2,000	4	500	
- Master (includes contacts & properties)					
Conversion Services Total					32,750

Note:

Financial data conversion consists of current year plus 2 years history.

Utility Billing conversion data consists of current year plus 5 years history.

Hosted Applications

Caroyln Galloway-Cooper
City of Buellton, CA
June 23, 2014



Service	QTY	Charges	Initial Year	Annual Fee
Citizen Portal				
One Time Setup Fee	1	400	400	
<ul style="list-style-type: none"> - Hardware Configuration - DNS registration 				
INCODE Utility Billing On-Line Component				
Utility Billing Online (4 cents per bill, per month)	<u>1,000</u>	0.04 /month	480	480
<ul style="list-style-type: none"> - Data extraction and storage - Display of: <ul style="list-style-type: none"> • Current status (late, cut off etc) • Action needed to avoid penalty • Current Balance • Deposits on file (optional) • Last payment date • Last payment amount • Payment arrangements on file • Last bill amount • Last bill date • Bill due date • Contracts on file and status • Transaction history - Address information including <ul style="list-style-type: none"> • Mapping • Legal description* • Precinct* • School district* • Services at address * - Subject to data availability - Consumption history by service, including graphs - Request for service (optional) - Information change request (optional) - Security - SSL (Secure Socket Layer) 				
<ul style="list-style-type: none"> - Online Payments <ul style="list-style-type: none"> • Payment packet is created to be imported to Utility System 				
<i>NOTE: Customer pays \$1.25 fee per transaction for payment on-line.</i>				
Hosted Applications Total			880	480

Tyler On Demand - Tyler U

Caroyln Galloway-Cooper
City of Buellton, CA
June 23, 2014



Service

Annual Fee

Tyler On Demand - Tyler U

Tyler U Subscription	450
<ul style="list-style-type: none">- E-learning courses available for all employees during the subscription period- Unlimited access to hundreds of e-learning courses spanning the entire suite of Tyler applications- Unlimited access to on-demand Continuing Professional Education credit courses certified by NASBA standards- Unlimited access to Government compliance courses such as HIPAA Compliance, Red Flag Rules, and Workplace Harassment Prevention- Available 24/7- New courses created continually	

Tyler Technologies, Inc. is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.learningmarket.org

Tyler Online Training Center Total

450



WEB SERVICES - INTERNET BASED PRODUCTS

SUBSCRIPTION AGREEMENT

THIS AGREEMENT is effective as of the date of acceptance set forth at the end hereof, and is by and between Tyler Technologies, Inc., hereinafter referred to as "Tyler" and the party signing this agreement as the "Subscriber".

1. DEFINITIONS

Tyler Web Services Tyler Web Services are designed to enable Subscriber to easily establish a presence on the Internet. Tyler Web Hosting and Design is composed of the Tyler Web Hosting and Design Publishing Component and other miscellaneous components. These components may be used independently or in conjunction with each other.

Tyler Utility Billing On-Line The Tyler Utility Billing On-Line Component allows the Subscriber to make available certain information from their Tyler Utility Billing System to citizens with Internet access. This information is posted to Subscriber's web site, which is hosted on Tyler's web server. With the proper security clearance, citizens with Internet access have access to the data which can include: Consumption information, service level information, requests for service, accounting information and the opportunity to pay their Utility Bill over the Internet using a credit card.

2. AGREEMENTS

- 2.1. TERM. Subscriber must return an executed copy of this Agreement to Tyler within 90 days from the issue date. Thereafter, the Agreement will be voided and is subject to change. Subject to the limitations of this Section 1, and unless otherwise provided for in this Agreement, the term of this Agreement shall commence as of the effective date and shall continue for three (3) years. The term shall thereafter be automatically extended in separate consecutive periods of twelve (12) months duration unless either party gives written notice to terminate. Notice to terminate must provide at least sixty (60) day notice of said intent. In the event that the Subscriber fails to pay any amount payable to Tyler hereunder, when due, or fails to comply with any other provision of this Agreement, Tyler may terminate the Subscriber's rights by written notice to that effect to the Subscriber. Tyler may, by written notice to the Subscriber, terminate its obligations under this Agreement in the event that Tyler, for whatever reason, ceases to host Subscriber's Web Site. A termination of the Subscriber's rights under this Agreement shall not terminate any of the parties' rights under this Agreement to receive or hold amounts rightfully owing to the respective party pursuant to the terms of this agreement or to enforce the intellectual and proprietary rights in the Tyler concept, web site, software, and technology. Upon termination or non-renewal of this agreement, the parties shall each promptly account for all due but unpaid amounts

hereunder. If Subscriber wishes to terminate before the stated term expires, Subscriber must give sixty (60) days written notice in order not to incur termination costs of \$120.00. Please also see section entitled "TERMINATION" in this Agreement.

2.2. Nature of Web Site. Tyler shall maintain a web site accessible over the Internet, for Subscriber. This web site shall contain both static information pages, non-static interactive pages as well as payment function pages. The web site shall allow a citizen with Internet access to view relevant data provided by Subscriber. This data may include certain data elements from Subscriber's Tyler Software System. This web site shall be equipped to accept payment of amounts owed to Subscriber, via Secured Socket Layer (SSL) encryption and credit card or debit card charge.

2.3. Data Procurement. Tyler must host the components and services listed in the Investment Summary of this Agreement. The Subscriber will be required to setup a merchant account with Electronic Transaction System Corporation or authorized.net for the sole use of Tyler Web Service transactions. The merchant account must be setup to fund to the Subscriber bank account. All fees for the merchant account will be paid by Subscriber.

Subscriber will be required to install and run Tyler Web Services in order for the Tyler On-Line application to access and transfer the necessary data from the Subscriber's primary software system, to Tyler's web server. The transfer will occur on a real time basis. Additionally, certain information, such as payment information, must be conveyed to Subscriber. Tyler will assume responsibility for transferring such information back to Subscriber on a regular basis. Tyler Web Services requires a dedicated IP address. Assignment of dedicated IP address is the sole responsibility of Subscriber.

2.4. LICENSED SOFTWARE OWNERSHIP. Subscriber agrees that Tyler possesses exclusive title to and ownership of the Tyler Software.

- a. Subscriber agrees that Subscriber acquires neither ownership nor any other interest in the Tyler Software, except for the right to use and possess the Tyler Software in accordance with the terms and conditions of this Agreement.
- b. All rights not expressly granted to Subscriber in this Agreement are retained by Tyler.
- c. Subscriber agrees that Tyler Software including, but not limited to, systems designs, programs in source and/or object code format, applications, techniques, ideas, and/or know-how utilized and/or developed by Tyler are and shall remain the exclusive property of Tyler. Subscriber agrees that the Tyler Software consists of Tyler's trade secrets. Tyler shall retain all copyrights in the Tyler Software, whether published or unpublished.
- d. Tyler agrees that all data provided to Tyler for the purposes of generating the web site shall remain the property of Subscriber. Should Subscriber terminate the Internet Services in good standing and in accordance with the termination provisions of this Agreement, Tyler agrees to return to Subscriber, all graphics, text documents, and data files held by Tyler.

2.5. Subscriber MEMBERSHIP FEES. For establishing new Tyler Web Services, the Subscriber shall pay to Tyler the amounts as stated in the Investment Summary.

- 2.6. INSITE FEES. Tyler may increase the INSITE per-transaction fee for online payment no more than once per year with prior written notice.
- 2.7. NOT ASSIGNABLE. The rights of the Subscriber under this Agreement are not assignable without the prior written consent of Tyler. Any attempt to sublicense, assign, encumber or transfer any of the rights, duties or obligations under this Agreement by the Subscriber is void. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted assigns and successors.
- 2.8. SOFTWARE MAINTENANCE. This SUBSCRIPTION AGREEMENT includes unlimited telephone support, support by communication modem, and all software upgrades, enhancements and new releases. Tyler reserves the right to change the functionality of future releases of its software and Subscriber understands that Tyler is not obligated to include specific functionality in future releases unless provided for herein.
- 2.9. PARTIAL INVALIDITY. Should any provision or clause of this Agreement be held to be invalid, such invalidity shall not affect any other provision or clause hereof, which can be given effect without such invalid provision or clause.
- 2.10. RESPONSIBILITY OF DATA. Tyler will assume responsibility for all data transfer, but not responsible for data accuracy.
- 2.11. SITE REQUIREMENTS.
- a. Subscriber shall maintain a high speed internet connection (1.5mbps download AND 512kbps upload) with a static IP address and must be able to provide Tyler with IP connection to Subscriber's network through Citrix GotoAssist, VPN, Citrix, or Microsoft Terminal Services. Tyler shall use the connection to assist with problem diagnosis and resolution. Tyler is not responsible for purchase of VPN client software license or configuration of Subscriber's firewall settings. No wireless Internet connections allowed.
 - b. Tyler shall provide Subscriber with remote support through the use of secure connection over the Internet connection via Citrix GotoAssist. If Subscriber will not allow access through GotoAssist, Tyler cannot guarantee support standards will be met.
- 2.12. PROPRIETARY INFORMATION.
- a. Distribution of Tyler Software. Subscriber may not sell, assign, transfer, disclose, or otherwise make available, either directly or indirectly, any object code, documentation or other material relating to the Software, in whole or in part, or any copy of the same in any form, to any other person or entity.
 - b. Software as Trade Secret. Subscriber shall maintain the confidentiality of the Software and unless specifically authorized by Tyler or except for ordinary and necessary backup purposes, Subscriber may not make or have made any copies of the Software or any part thereof. Subscriber shall include Tyler's proprietary notice or other legend on any copies made by Subscriber as permitted hereunder.
- 2.13. WARRANTY, DISCLAIMER, LIMITATION ON LIABILITY. Tyler warrants that the Software will substantially conform to current specifications delivered by Tyler to Subscriber pursuant to this Agreement, including Tyler's response to the Request for Proposal for six (6) months

following installation; provided, however, that Tyler's warranty hereunder shall not cover or apply to any software or part thereof that is not developed or designed by Tyler. In the event that the Software is found to be defective in such respect and Subscriber notifies Tyler in writing within six (6) months after its receipt of the Software of any substantial non-conformity of the Software with such specifications, Tyler's sole obligation under this warranty is to remedy such defect within a reasonable time. THE FOREGOING WARRANTY IS EXCLUSIVE AND IS MADE IN LIEU OF ALL OTHER WARRANTIES OR REPRESENTATIONS, WHETHER EXPRESS OR IMPLIED, IN FACT OR IN LAW, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. TYLER SHALL IN NO EVENT BE LIABLE FOR DAMAGES THAT EXCEED THE AMOUNT OF THE CHARGES PAID BY SUBSCRIBER HEREUNDER FOR THE DEVELOPMENT AND LICENSE OF THE SOFTWARE. IN NO EVENT SHALL TYLER BE LIABLE FOR SPECIAL, INCIDENTAL, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES OR FOR LOSS OF PROFITS, REVENUES OR DATA, EVEN IF TYLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

- 2.14. HOLD HARMLESS. Subscriber agrees that it will hold Tyler harmless against any claims, damages, liabilities, costs and expenses, including reasonable attorneys' fees, arising out of or relating to
- a. Subscriber's failure to implement any corrections, improvements and new releases relating to the Software, or any part thereof,
 - b. Subscriber's unauthorized alterations to or use of the Software, or
 - c. Subscriber's breach of any of its obligations to maintain the confidentiality of the Software or Subscriber's unauthorized copying thereof.
- 2.15. TERMINATION. This Agreement or any license referenced hereunder may be terminated by Tyler upon written notice to Subscriber if Subscriber performs any breach of the terms of this Agreement. At the date of termination of this Agreement, Subscriber shall promptly return to Tyler any Software, related documentation, materials and other property of Tyler then in its possession, and any copies thereof wherever located. Notwithstanding the foregoing, all provisions hereof relating to confidentiality of the Software shall survive the termination of this Agreement.
- 2.16. GENERAL.
- a. This Agreement shall be governed by the laws of Subscriber's state of domicile and constitutes the entire Agreement between the parties hereto with respect to the Software described herein, and shall supersede all previous or contemporaneous negotiations, commitments and writings with respect to the matters set forth herein.
 - b. All acceptances by Tyler of purchase orders and all sales by Tyler are expressly limited to and made on the basis of the terms and conditions set forth herein, notwithstanding receipt or acknowledgment of Subscriber's order forms or specifications containing additional or different provisions, or conflicting oral representations by an agent, representative or employee of Tyler. Any such additional or different terms are hereby objected to. All acceptances by Tyler are expressly conditional on Subscriber's assent to the additional or different terms and conditions set forth in this Agreement. If these terms and conditions are not acceptable, Subscriber should notify Tyler at once.

AGREEMENT FOR SOFTWARE IMPLEMENTATION SERVICES BETWEEN CITY OF BUELLTON AND TYLER TECHNOLOGIES, INC.

SOFTWARE LICENSE AGREEMENT

License Grant

- 1.1.1. Upon the Effective Date, Tyler hereby grants to Client a non-exclusive, non-transferable, royalty-free, revocable license to use the Tyler software products set forth in the investment summary attached hereto as Exhibit 1 ("Investment Summary") and related interfaces (collectively, the "Tyler Software Products") and documentation provided in or with the Tyler Software Products ("Documentation") for Client's internal business purposes only and otherwise subject to the terms and conditions of this Agreement. This license is revocable by Tyler if Client fails to comply with the terms and conditions of this Agreement, including without limitation, Client's failure to timely pay the Software fees in full. Upon Client's payment in full for the Tyler Software Products, this license will become irrevocable, subject to the restrictions on use and other terms set forth in this Agreement.
- 1.1.2. Tyler shall retain ownership of, including all intellectual property rights in and to, the Tyler Software Products and Documentation.
- 1.1.3. The Tyler Software Products are not licensed to perform functions or processing for subdivisions or entities that were not disclosed to Tyler prior to the Effective Date.
- 1.1.4. The right to transfer the Tyler Software Products to a replacement hardware system is included in this Agreement. Client shall pay Tyler for the cost of new media or any required technical assistance to accommodate the transfer. Client shall provide advance written notice to Tyler of any such transfer.
- 1.1.5. Client acknowledges and agrees that the Tyler Software Products and Documentation are proprietary to Tyler and have been developed as trade secrets at Tyler's expense. Client shall use best efforts to keep the Tyler Software Products and Documentation confidential and to prevent any misuse, unauthorized use or unauthorized disclosure of the Tyler Software Products or Documentation by any party.
- 1.1.6. The Tyler Software Products may not be modified by anyone other than Tyler. If Client modifies the Tyler Software Products without Tyler's prior written consent, Tyler's obligations to provide maintenance services on, and the warranty for, the Tyler Software Products will be void. Client shall

not perform decompilation, disassembly, translation or other reverse engineering on the Tyler Software Products.

1.1.7. Client may make copies of the Tyler Software Products for archive purposes only. Client shall repeat any and all proprietary notices on any copy of the Tyler Software Products. Client may make copies of the Documentation for internal use only.

1.1.8. Tyler maintains an escrow agreement with an escrow services company under which Tyler places the source code of each major release of the Tyler Software Products. At Client's request, Tyler will add Client as a beneficiary to such escrow agreement. Client will pay the annual beneficiary fee and is solely responsible for maintaining its status as a beneficiary.

1.2. Limited Warranty. For the purposes of this Agreement, a "Defect" is defined as a failure of the Tyler Software Products to substantially conform to the then-current specifications and the functional descriptions of the Tyler Software Products in Tyler's written proposal to Client. In the event of conflict between the afore-mentioned documents, the then-current specifications will control. A Tyler Software Product is "Defective" if it contains a Defect. For as long as a current Maintenance Agreement is in place, Tyler warrants that the Tyler Software Products will not contain Defects. If the Tyler Software Products do not perform as warranted, Tyler will use reasonable efforts, consistent with industry standards, to cure the Defect in accordance with Tyler's then-current support call process.

EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, TYLER TECHNOLOGIES HEREBY DISCLAIMS 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.

1.3. Intellectual Property Infringement Indemnification.

1.3.1. Tyler's Obligations. Tyler shall defend and indemnify Client against any claim by an unaffiliated third party of this Agreement that a Tyler Software Product, if used within the scope of this Agreement, directly infringes that party's registered United States patent, copyright or trademark issued and existing as of the Effective Date or as of the distribution date of a release to the Tyler Software Product, and will pay the amount of any resulting adverse final judgment issued by a

court of competent jurisdiction or of any settlement made by Tyler in writing.

1.3.2. Client's Obligations. Tyler obligations in this section are contingent on the Client performing all of the following in connection with any claim as described herein:

- a. Promptly notifies Tyler in writing of any such claim;
- b. Gives Tyler reasonable cooperation, information, and assistance in connection with the claim; and
- c. Consents to Tyler's sole control and authority with respect to the defense, settlement or compromise of the claim.

1.3.3. Exceptions to Tyler's Obligations. Tyler will have no liability hereunder if the claim of infringement or an adverse final judgment rendered by a court of competent jurisdiction results from:

- a. Client's use of a previous version of a Tyler Software Product and the claim would have been avoided had Client used the current version of the Tyler Software Product;
- b. Client's combining the Tyler Software Product with devices or products not provided by Tyler;
- c. Use of a Tyler Software Product in applications, business environments or processes for which the Tyler Software Product was not designed or contemplated, and where use of the Tyler Software Product outside such application, environment or business process would not have given rise to the claim;
- d. Corrections, modifications, alterations or enhancements that Client made to the Tyler Software Product and such correction, modification, alteration or enhancement is determined by a court of competent jurisdiction to be a contributing cause of the infringement;
- e. Use of the Tyler Software Product by any person or entity other than Client or Client's employees; or
- f. Client's willful infringement, including Client's continued use of the infringing Tyler Software Product after Client becomes aware that such infringing Tyler Software Product is or is likely to become the subject of a claim hereunder.

1.3.4. Remedy.

- a. In the event a Tyler Software Product is, by a court of competent jurisdiction, finally determined to be infringing and its use by Client is enjoined, Tyler will, at its election:
- b. Procure for Client the right to continue using the infringing Tyler Software Products; or
- c. Modify or replace the infringing Tyler Software Products so that it becomes non-infringing.
- d. The foregoing states Tyler's entire liability and Client's sole and exclusive remedy with respect to the subject matter hereof.

INSURANCE

A. Insurance Requirements. TYLER TECHNOLOGIES shall provide and maintain insurance, acceptable to the City Manager or City Council, in full force and effect throughout the term of this AGREEMENT, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by TYLER TECHNOLOGIES, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII. TYLER TECHNOLOGIES, INC shall provide the following scope and limits of insurance:

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:

(1) Insurance Services Office form Commercial General Liability coverage (Occurrence Form CG 0001).

(2) Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, including code 1 "any auto" and endorsement CA 0025, or equivalent forms subject to the written approval of the City.

(3) Workers' Compensation insurance as required by the Labor Code of State of California and Employer's Liability insurance and covering all persons providing services on behalf of the TYLER TECHNOLOGIES and all risks to such persons under this AGREEMENT.

(4) Professional liability insurance appropriate to the TYLER TECHNOLOGIES' profession.

2. Minimum Limits of Insurance. TYLER TECHNOLOGIES shall maintain limits of insurance no less than:

(1) General Liability: \$1,000,000 general aggregate for bodily injury, personal injury and property damage.

(2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

(3) Workers' Compensation and Employer's Liability: Workers' Compensation as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.

(4) Professional Liability: \$2,000,000 aggregate.

B. Other Provisions. Insurance policies required by this AGREEMENT shall contain the following provisions:

1. All Policies. TYLER TECHNOLOGIES shall provide a standard ACORD form that states that in the event the coverage is suspended, voided, cancelled notice shall be provided pursuant to the terms of the policy.

2. General Liability Accident -- Mobile Liability Rates.

(1) CITY and its respective elected and appointed officers, officials, and employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities TYLER TECHNOLOGIES, INC performs; products and completed operations of TYLER TECHNOLOGIES, INC; premises owned, occupied or used by CONSULTANT; or automobiles owned, leased, hired or borrowed by TYLER TECHNOLOGIES.

(2) TYLER TECHNOLOGIES' insurance coverage shall be primary insurance with respect to CITY, and its respective elected and appointed, its officers, officials, employees and volunteers for claims for which Tyler is liable. Any insurance or self-insurance maintained by CITY, and its respective elected and appointed officers, officials, employees or volunteers, shall apply in excess of, and not contribute with, TYLER TECHNOLOGIES' insurance.

(3) Any failure to comply with the reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to CITY, and its respective elected and appointed officers, officials, employees or volunteers.

3. Workers' Compensation and Employer's Liability Coverage. Unless the City Manager otherwise agrees in writing, the insurer shall agree to waive all rights of subrogation against CITY, and its respective elected and appointed officers, officials, employees and agents for losses arising from work performed by TYLER TECHNOLOGIES.

C. Other Requirements. TYLER TECHNOLOGIES, INC agrees to deposit with CITY, before performing any services under this contract, certificates of insurance necessary to satisfy CITY that the insurance provisions of this contract have been complied with.

1. TYLER TECHNOLOGIES shall furnish certificates and endorsements from each subcontractor identical to those CONSULTANT provides.

2. Any deductibles must be declared to the City. Self-insured retentions must be declared to and approved by CITY. At the option of CITY, either the insurer shall reduce or eliminate self-insured retentions as respects CITY or its respective elected or appointed officers, officials, employees and volunteers or the TYLER TECHNOLOGIES shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.

3. The procuring of such required policy or policies of insurance shall not be construed to limit TYLER TECHNOLOGIES, INC liability hereunder nor to fulfill the indemnification provisions and requirements of this AGREEMENT.



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 day advance booking requirement is mandatory. When booking less than seven days in advance, management approval will be required.

Except in the case of international travel where a segment of continuous air travel is scheduled to exceed six hours, only economy or coach class seating is reimbursable.

B. Baggage Fees

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

- Up to five days = one checked bag
- Six or more days = two 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; 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.

4. Meals and Incidental Expenses

Employee meals and incidental expenses while on travel status 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.

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. Travel Processing Fee

All travel expenses invoiced under this policy shall include a ten percent (10%) travel processing fee.