



# Osseo City Council

## AGENDA

**WORK SESSION**  
**Monday, June 29, 2020**  
**6:00 p.m., Council Chamber**

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MAYOR DUANE POPPE

COUNCILMEMBERS: JULIANA HULTSTROM, HAROLD E. JOHNSON, MARK SCHULZ, LARRY STELMACH

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1. **Call to Order**
2. **Roll Call** (quorum is 3)
3. **Approval of Agenda** (requires unanimous additions)
4. **Discussion Items**
  - A. **Tyler Technologies Agreement**
  - B. **Business Regulations Ordinance**
  - C. **Tobacco Sales Ordinance Update**
5. **Adjournment**



## City of Osseo City Council Work Session Meeting Item

<b>Agenda Item:</b>	<b>Tyler Technologies Agreement</b>
<b>Meeting Date:</b>	June 29, 2020
<b>Prepared by:</b>	Riley Grams, City Administrator
<b>Attachments:</b>	Draft Tyler Technologies Agreement

### Background:

The City Council discussed updating the City's overall software package at the [March 30, 2020 work session meeting](#). During the meeting, Staff presented the preferred financial software company, Tyler Technologies, for consideration. Cody Gunstenson also attended that meeting and helped answer questions that the Council had. The Council ultimately directed Staff to work on a new agreement with Tyler Technology to provide a new comprehensive financial software platform. Since then, Staff has been busy, along with the Risk Management Committee and City Attorney, drafting the attached version of the agreement. This draft has been reviewed by Staff, the Risk Management Committee, and the City Attorney.

The agreement itself is rather lengthy, however, the actual terms of the agreement can be found on pages 1-32. The remaining pages is the statement of work (which outlines the various stages of work to be completed if approved, schedules, who completes that item, and so on).

City Accountant April Weller has been working with Tyler Technologies on preparing this version of the draft agreement. She will be present at the work session meeting and can provide additional insight or help answer specific questions that the Council may have about the agreement.

The software will have several new portals for the City to use, allowing for more flexibility in managing the City. Additionally, there other systems that allow for resident and contractor use as well. Here is a brief list of the new systems the City would receive with this software package:

- 1) **Financial management system** – This is the system that the Finance Department uses to manage the City's financial department.
- 2) **Utility billing system** – A new and upgraded utility billing system which is used by the Finance Department to track utility usage and process utility bills and payment.
- 3) **Payroll management system** – This system is used by the Finance Department to manage employee payroll and proper reporting requirements.
- 4) **Online Permitting** – This system allows residents and contractors to submit building permits online rather than printing off a paper copy and bringing it into City Hall or emailing it to City Staff.

- 5) **Tyler Content Manager** – This is Tyler’s own laserfische system, which we will use to digitize our address files and track all necessary paperwork.
- 6) **Point of Sale** – This system will provide direct point of sale features for those transacting business with the City online or in-person. Currently the City processes payments manually and writes manual receipts.

Here is the proposed one-time and on-going annual cost of this software package:

PRODUCT	ONE-TIME		ONE-TIME	
	IMPLEMENTATION	DATA CONVERSION	ANNUAL FEES	
FINANCIAL MGMT SUITE	\$ 12,180.00	\$ 4,510.00	\$ 3,635.00	
PAYROLL/PERSONNEL MGMT SUITE	\$ 12,600.00	\$ 3,840.00	\$ 3,120.00	
UTILITY BILLING SUITE/CRM	\$ 17,640.00	\$ 7,680.00	\$ 7,592.00	
TYLER CONTENT MANAGER	\$ 3,360.00	\$ -	\$ 1,187.00	
PERMITTING	\$ 6,720.00	\$ -	\$ 3,362.00	
ONLINE APPLICATIONS	\$ 800.00	\$ -	\$ 4,285.00	
PROJECT MGMT	\$ 5,000.00	\$ -	\$ -	
<b>TOTAL</b>	<b>\$ 58,300.00</b>	<b>\$ 16,030.00</b>	<b>\$ 23,181.00</b>	

**ADDITIONAL FEES:**

ESTIMATED TRAVEL EXPENSES FOR	\$ 31,510.00
TRAINING & IMPLEMENTATION	

**Recommendation/Action Requested:**

Staff recommends the City Council discuss the item and direct Staff accordingly.

**Next Step:**

Suggested changes to the agreement will be made and the entire draft will be sent to Tyler Technologies for review. Once an agreed upon draft agreement is in place, Staff will bring back the agreement to the Council for approval at a future meeting.



## SOFTWARE AS A SERVICE AGREEMENT

This Software as a Service Agreement is made between Tyler Technologies, Inc. and Client.

WHEREAS, Client selected Tyler to provide certain products and services set forth in the Investment Summary, including providing Client with access to Tyler's proprietary software products, and Tyler desires to provide such products and services under the terms of this Agreement;

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

### SECTION A – DEFINITIONS

- **"Agreement"** means this Software as a Services Agreement.
- **"Business Travel Policy"** means our business travel policy. A copy of our current Business Travel Policy is attached as Schedule 1 to Exhibit B.
- **"Client"** means City of Osseo, Minnesota.
- **"Data"** means your data necessary to utilize the Tyler Software.
- **"Data Storage Capacity"** means the contracted amount of storage capacity for your Data identified in the Investment Summary.
- **"Defect"** means a failure of the Tyler Software to substantially conform to the functional descriptions set forth in our written proposal to you, or their functional equivalent. Future functionality may be updated, modified, or otherwise enhanced through our maintenance and support services, and the governing functional descriptions for such future functionality will be set forth in our then-current Documentation.
- **"Defined Users"** means the number of users that are authorized to use the SaaS Services. The Defined Users for the Agreement are as identified in the Investment Summary.
- **"Developer"** means a third party who owns the intellectual property rights to Third Party Software.
- **"Documentation"** means any online or written documentation related to the use or functionality of the Tyler Software that we provide or otherwise make available to you, including instructions, user guides, manuals and other training or self-help documentation.
- **"Effective Date"** means the date by which both your and our authorized representatives have signed the Agreement.
- **"Force Majeure"** means an event beyond the reasonable control of you or us, including, without limitation, governmental action, war, riot or civil commotion, fire, natural disaster, or any other cause that could not with reasonable diligence be foreseen or prevented by you or us.
- **"Investment Summary"** means the agreed upon cost proposal for the products and services attached as Exhibit A.
- **"Invoicing and Payment Policy"** means the invoicing and payment policy. A copy of our current Invoicing and Payment Policy is attached as Exhibit B.
- **"SaaS Fees"** means the fees for the SaaS Services identified in the Investment Summary.

- **“SaaS Services”** means software as a service consisting of system administration, system management, and system monitoring activities that Tyler performs for the Tyler Software, and includes the right to access and use the Tyler Software, receive maintenance and support on the Tyler Software, including Downtime resolution under the terms of the SLA, and Data storage and archiving. SaaS Services do not include support of an operating system or hardware, support outside of our normal business hours, or training, consulting or other professional services.
- **“SLA”** means the service level agreement. A copy of our current SLA is attached hereto as Exhibit C.
- **“Statement of Work”** means the industry standard implementation plan describing how our professional services will be provided to implement the Tyler Software, and outlining your and our roles and responsibilities in connection with that implementation. The Statement of Work is attached as Exhibit E.
- **“Support Call Process”** means the support call process applicable to all of our customers who have licensed the Tyler Software. A copy of our current Support Call Process is attached as Schedule 1 to Exhibit C.
- **“Third Party Hardware”** means the third party hardware, if any, identified in the Investment Summary.
- **“Third Party Products”** means the Third Party Software and Third Party Hardware.
- **“Third Party Services”** means the third party services, if any, identified in the Investment Summary.
- **“Third Party Software”** means the third party software, if any, identified in the Investment Summary.
- **“Third Party Terms”** means, if any, the end user license agreement(s) or similar terms for the Third Party Software, as applicable.
- **“Tyler”** means Tyler Technologies, Inc., a Delaware corporation.
- **“Tyler Software”** means our proprietary software, including any integrations, custom modifications, and/or other related interfaces identified in the Investment Summary and licensed by us to you through this Agreement.
- **“we”, “us”, “our”** and similar terms mean Tyler.
- **“you”** and similar terms mean Client.

## SECTION B – SAAS SERVICES

1. Rights Granted. We grant to you the non-exclusive, non-assignable limited right to use the SaaS Services solely for your internal business purposes for the number of Defined Users only. The Tyler Software will be made available to you according to the terms of the SLA. You acknowledge that we have no delivery obligations and we will not ship copies of the Tyler Software as part of the SaaS Services. You may use the SaaS Services to access updates and enhancements to the Tyler Software, as further described in Section C(9). The foregoing notwithstanding, to the extent we have sold you perpetual licenses for Tyler Software, if and listed in the Investment Summary, for which you are receiving SaaS Services, your rights to use such Tyler Software are perpetual, subject to the terms and conditions of this Agreement including, without limitation, Section B(4). We will make any such software available to you for download.
2. SaaS Fees. You agree to pay us the SaaS Fees. Those amounts are payable in accordance with our Invoicing and Payment Policy. The SaaS Fees are based on the number of Defined Users and amount of Data Storage Capacity. You may add additional users or additional data storage capacity on the

terms set forth in Section H(1). In the event you regularly and/or meaningfully exceed the Defined Users or Data Storage Capacity, we reserve the right to charge you additional fees commensurate with the overage(s).

3. Ownership.

3.1 We retain all ownership and intellectual property rights to the SaaS Services, the Tyler Software, and anything developed by us under this Agreement. You do not acquire under this Agreement any license to use the Tyler Software in excess of the scope and/or duration of the SaaS Services.

3.2 The Documentation is licensed to you and may be used and copied by your employees for internal, non-commercial reference purposes only.

3.3 You retain all ownership and intellectual property rights to the Data. You expressly recognize that except to the extent necessary to carry out our obligations contained in this Agreement, we do not create or endorse any Data used in connection with the SaaS Services.

4. Restrictions. You may not: (a) make the Tyler Software or Documentation resulting from the SaaS Services available in any manner to any third party for use in the third party's business operations; (b) modify, make derivative works of, disassemble, reverse compile, or reverse engineer any part of the SaaS Services; (c) access or use the SaaS Services in order to build or support, and/or assist a third party in building or supporting, products or services competitive to us; or (d) license, sell, rent, lease, transfer, assign, distribute, display, host, outsource, disclose, permit timesharing or service bureau use, or otherwise commercially exploit or make the SaaS Services, Tyler Software, or Documentation available to any third party other than as expressly permitted by this Agreement.

5. Software Warranty. We warrant that the Tyler Software will perform without Defects during the term of this Agreement. If the Tyler Software does not perform as warranted, we will use all reasonable efforts, consistent with industry standards, to cure the Defect in accordance with the maintenance and support process set forth in Section C(9), below, the SLA and our then current Support Call Process.

6. SaaS Services.

6.1 Our SaaS Services are audited at least yearly in accordance with the AICPA's Statement on Standards for Attestation Engagements ("SSAE") No. 18. We have attained, and will maintain, SOC 1 and SOC 2 compliance, or its equivalent, for so long as you are timely paying for SaaS Services. Upon execution of a mutually agreeable Non-Disclosure Agreement ("NDA"), we will provide you with a summary of our compliance report(s) or its equivalent. Every year thereafter, for so long as the NDA is in effect and in which you make a written request, we will provide that same information.

6.2 You will be hosted on shared hardware in a Tyler data center or in a third-party data center. In either event, databases containing your Data will be dedicated to you and inaccessible to our other customers.

6.3 Our Tyler data centers have fully-redundant telecommunications access, electrical power, and the required hardware to provide access to the Tyler Software in the event of a disaster or

component failure. In the event any of your Data has been lost or damaged due to an act or omission of Tyler or its subcontractors or due to a defect in Tyler's software, we will use best commercial efforts to restore all the Data on servers in accordance with the architectural design's capabilities and with the goal of minimizing any Data loss as greatly as possible. In no case shall the recovery point objective ("RPO") exceed a maximum of twenty-four (24) hours from declaration of disaster. For purposes of this subsection, RPO represents the maximum tolerable period during which your Data may be lost, measured in relation to a disaster we declare, said declaration will not be unreasonably withheld.

- 6.4 In the event we declare a disaster, our Recovery Time Objective ("RTO") is twenty-four (24) hours. For purposes of this subsection, RTO represents the amount of time, after we declare a disaster, within which your access to the Tyler Software must be restored.
- 6.5 We conduct annual penetration testing of either the production network and/or web application to be performed. We will maintain industry standard intrusion detection and prevention systems to monitor malicious activity in the network and to log and block any such activity. We will provide you with a written or electronic record of the actions taken by us in the event that any unauthorized access to your database(s) is detected as a result of our security protocols. We will undertake an additional security audit, on terms and timing to be mutually agreed to by the parties, at your written request. You may not attempt to bypass or subvert security restrictions in the SaaS Services or environments related to the Tyler Software. Unauthorized attempts to access files, passwords or other confidential information, and unauthorized vulnerability and penetration test scanning of our network and systems (hosted or otherwise) is prohibited without the prior written approval of our IT Security Officer.
- 6.6 We test our disaster recovery plan on an annual basis. Our standard test is not client-specific. Should you request a client-specific disaster recovery test, we will work with you to schedule and execute such a test on a mutually agreeable schedule. At your written request, we will provide test results to you within a commercially reasonable timeframe after receipt of the request.
- 6.7 We will be responsible for importing back-up and verifying that you can log-in. You will be responsible for running reports and testing critical processes to verify the returned Data.
- 6.8 We provide secure Data transmission paths between each of your workstations and our servers.
- 6.9 Tyler data centers are accessible only by authorized personnel with a unique key entry. All other visitors to Tyler data centers must be signed in and accompanied by authorized personnel. Entry attempts to the data center are regularly audited by internal staff and external auditors to ensure no unauthorized access.
- 6.10 Where applicable with respect to our applications that take or process card payment data, we are responsible for the security of cardholder data that we possess, including functions relating to storing, processing, and transmitting of the cardholder data and affirm that, as of the Effective Date, we comply with applicable requirements to be considered PCI DSS compliant and have performed the necessary steps to validate compliance with the PCI DSS. We agree to supply the current status of our PCI DSS compliance program in the form of an official Attestation of Compliance, which can be found at <https://www.tylertech.com/about->

us/compliance, and in the event of any change in our status, will comply with applicable notice requirements.

## **SECTION C –PROFESSIONAL SERVICES**

1. Professional Services. We will provide you the various implementation-related services itemized in the Investment Summary and described in the Statement of Work.
2. Professional Services Fees. You agree to pay us the professional services fees in the amounts set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy. You acknowledge that the fees stated in the Investment Summary are good-faith estimates of the amount of time and materials required for your implementation. We will bill you the actual fees incurred based on the in-scope services provided to you. Any discrepancies in the total values set forth in the Investment Summary will be resolved by multiplying the applicable hourly rate by the quoted hours.
3. Additional Services. The Investment Summary contains, and the Statement of Work describes, the scope of services and related costs (including programming and/or interface estimates) required for the project based on our understanding of the specifications you supplied. If additional work is required, or if you use or request additional services, we will provide you with an addendum or change order, as applicable, outlining the costs for the additional work. The price quotes in the addendum or change order will be valid for thirty (30) days from the date of the quote.
4. Cancellation. If travel is required, we will make all reasonable efforts to schedule travel for our personnel, including arranging travel reservations, at least two (2) weeks in advance of commitments. Therefore, if you cancel services less than two (2) weeks in advance (other than for Force Majeure or breach by us), you will be liable for all (a) non-refundable expenses incurred by us on your behalf, and (b) daily fees associated with cancelled professional services if we are unable to reassign our personnel. We will make all reasonable efforts to reassign personnel in the event you cancel within two (2) weeks of scheduled commitments.
5. Services Warranty. We will perform the services in a professional, workmanlike manner, consistent with industry standards. In the event we provide services that do not conform to this warranty, we will re-perform such services at no additional cost to you.
6. Site Access and Requirements. At no cost to us, you agree to provide us with full and free access to your personnel, facilities, and equipment as may be reasonably necessary for us to provide implementation services, subject to any reasonable security protocols or other written policies provided to us as of the Effective Date, and thereafter as mutually agreed to by you and us.
7. Background Checks. For at least the past twelve (12) years, all of our employees have undergone criminal background checks prior to hire. All employees sign our confidentiality agreement and security policies.
8. Client Assistance. You acknowledge that the implementation of the Tyler Software is a cooperative process requiring the time and resources of your personnel. You agree to use all reasonable efforts to cooperate with and assist us as may be reasonably required to meet the agreed upon project deadlines and other milestones for implementation. This cooperation includes at least working with



us to schedule the implementation-related services outlined in this Agreement. We will not be liable for failure to meet any deadlines and milestones when such failure is due to Force Majeure or to the failure by your personnel to provide such cooperation and assistance (either through action or omission).

9. Maintenance and Support. For so long as you timely pay your SaaS Fees according to the Invoicing and Payment Policy, then in addition to the terms set forth in the SLA and the Support Call Process, we will:

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

9.2 provide telephone support during our established support hours;

9.3 maintain personnel that are sufficiently trained to be familiar with the Tyler Software and Third Party Software, if any, in order to provide maintenance and support services;

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

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

We will use all reasonable efforts to perform support services remotely. Currently, we use a third-party secure unattended connectivity tool called Bomgar, as well as GotoAssist by Citrix. Therefore, you agree to maintain a high-speed internet connection capable of connecting us to your PCs and server(s). You agree to provide us with a login account and local administrative privileges as we may reasonably require to perform remote services. We will, at our option, use the secure connection to assist with proper diagnosis and resolution, subject to any reasonably applicable security protocols. If we cannot resolve a support issue remotely, we may be required to provide onsite services. In such event, we will be responsible for our travel expenses, unless it is determined that the reason onsite support was required was a reason outside our control. Either way, you agree to provide us with full and free access to the Tyler Software, working space, adequate facilities within a reasonable distance from the equipment, and use of machines, attachments, features, or other equipment reasonably necessary for us to provide the maintenance and support services, all at no charge to us. We strongly recommend that you also maintain your VPN for backup connectivity purposes.

For the avoidance of doubt, SaaS Fees do not include the following services: (a) onsite support (unless Tyler cannot remotely correct a Defect in the Tyler Software, as set forth above); (b) application design; (c) other consulting services; or (d) support outside our normal business hours as listed in our then-current Support Call Process. Requested services such as those outlined in this section will be billed to you on a time and materials basis at our then current rates. You must request those services with at least one (1) weeks' advance notice.

## SECTION D – THIRD PARTY PRODUCTS

1. Third Party Hardware. We will sell, deliver, and install onsite the Third Party Hardware, if you have purchased any, for the price set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.
2. Third Party Software. As part of the SaaS Services, you will receive access to the Third Party Software and related documentation for internal business purposes only. Your rights to the Third Party Software will be governed by the Third Party Terms.
3. Third Party Products Warranties.
  - 3.1 We are authorized by each Developer to grant access to the Third Party Software.
  - 3.2 The Third Party Hardware will be new and unused, and upon payment in full, you will receive free and clear title to the Third Party Hardware.
  - 3.3 You acknowledge that we are not the manufacturer of the Third Party Products. We do not warrant or guarantee the performance of the Third Party Products. However, we grant and pass through to you any warranty that we may receive from the Developer or supplier of the Third Party Products.
4. Third Party Services. If you have purchased Third Party Services, those services will be provided independent of Tyler by such third-party at the rates set forth in the Investment Summary and in accordance with our Invoicing and Payment Policy.

## SECTION E - INVOICING AND PAYMENT; INVOICE DISPUTES

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

## SECTION F – TERM AND TERMINATION

1. Term. The initial term of this Agreement is five (5) years from the first day of the first month following the Effective Date, unless earlier terminated as set forth below. Upon expiration of the initial term, this Agreement will renew automatically for additional one (1) year renewal terms at our then-current SaaS Fees unless terminated in writing by either party at least sixty (60) days prior to the end of the then-current renewal term. Your right to access or use the Tyler Software and the SaaS Services will terminate at the end of this Agreement.
2. Termination. This Agreement may be terminated as set forth below. In the event of termination, you will pay us for all undisputed fees and expenses related to the software, products, and/or services you have received, or we have incurred or delivered, prior to the effective date of termination. Disputed fees and expenses in all terminations other than your termination for cause must have been submitted as invoice disputes in accordance with Section E(2).
  - 2.1 Failure to Pay SaaS Fees. You acknowledge that continued access to the SaaS Services is contingent upon your timely payment of SaaS Fees. If you fail to timely pay the SaaS Fees, we may discontinue the SaaS Services and deny your access to the Tyler Software. We may also terminate this Agreement if you don't cure such failure to pay within forty-five (45) days of receiving written notice of our intent to terminate.
  - 2.2 For Cause. If you believe we have materially breached this Agreement, you will invoke the Dispute Resolution clause set forth in Section H(3). You may terminate this Agreement for cause in the event we do not cure, or create a mutually agreeable action plan to address, a material breach of this Agreement within the thirty (30) day window set forth in Section H(3).
  - 2.3 Force Majeure. Either party has the right to terminate this Agreement if a Force Majeure event suspends performance of the SaaS Services for a period of forty-five (45) days or more.
  - 2.4 Lack of Appropriations. If you should not appropriate or otherwise make available funds sufficient to utilize the SaaS Services, you may unilaterally terminate this Agreement upon thirty (30) days written notice to us. You will not be entitled to a refund or offset of previously paid, but unused SaaS Fees. You agree not to use termination for lack of appropriations as a substitute for termination for convenience.
  - 2.5 Fees for Termination without Cause during Initial Term. If you terminate this Agreement during the initial term for any reason other than cause, Force Majeure, or lack of appropriations, or if we terminate this Agreement during the initial term for your failure to pay SaaS Fees, you shall pay us the following early termination fees:
    - a. if you terminate during the first year of the initial term, 100% of the SaaS Fees through the date of termination plus 25% of the SaaS Fees then due for the remainder of the initial term;
    - b. if you terminate during the second year of the initial term, 100% of the SaaS Fees through the date of termination plus 15% of the SaaS Fees then due for the remainder of the initial term; and

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

## **SECTION G – INDEMNIFICATION, LIMITATION OF LIABILITY AND INSURANCE**

### **1. Intellectual Property Infringement Indemnification.**

- 1.1 We will defend you against any third party claim(s) that the Tyler Software or Documentation infringes that third party's patent, copyright, or trademark, or misappropriates its trade secrets, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent). You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.
- 1.2 Our obligations under this Section G(1) will not apply to the extent the claim or adverse final judgment is based on your use of the Tyler Software in contradiction of this Agreement, including with non-licensed third parties, or your willful infringement.
- 1.3 If we receive information concerning an infringement or misappropriation claim related to the Tyler Software, we may, at our expense and without obligation to do so, either: (a) procure for you the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent, in which case you will stop running the allegedly infringing Tyler Software immediately. Alternatively, we may decide to litigate the claim to judgment, in which case you may continue to use the Tyler Software consistent with the terms of this Agreement.
- 1.4 If an infringement or misappropriation claim is fully litigated and your use of the Tyler Software is enjoined by a court of competent jurisdiction, in addition to paying any adverse final judgment (or settlement to which we consent), we will, at our option, either: (a) procure the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent. This section provides your exclusive remedy for third party copyright, patent, or trademark infringement and trade secret misappropriation claims.

### **2. General Indemnification.**

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

misconduct; or (b) your violation of a law applicable to your performance under this Agreement. We will notify you promptly in writing of the claim and will give you sole control over its defense or settlement. We agree to provide you with reasonable assistance, cooperation, and information in defending the claim at your expense.

3. **DISCLAIMER.** EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WE HEREBY DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES, DUTIES, OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
4. **LIMITATION OF LIABILITY.** EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, OUR LIABILITY FOR DAMAGES ARISING OUT OF THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO YOUR ACTUAL DIRECT DAMAGES, NOT TO EXCEED (A) DURING THE INITIAL TERM, AS SET FORTH IN SECTION F(1), TOTAL FEES PAID AS OF THE TIME OF THE CLAIM; OR (B) DURING ANY RENEWAL TERM, THE THEN-CURRENT ANNUAL SAAS FEES PAYABLE IN THAT RENEWAL TERM. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE PRICES SET FORTH IN THIS AGREEMENT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY AND TO THE MAXIMUM EXTENT ALLOWED UNDER APPLICABLE LAW, THE EXCLUSION OF CERTAIN DAMAGES, AND EACH SHALL APPLY REGARDLESS OF THE FAILURE OF AN ESSENTIAL PURPOSE OF ANY REMEDY. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS THAT ARE SUBJECT TO SECTIONS G(1) AND G(2).
5. **EXCLUSION OF CERTAIN DAMAGES.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL WE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
6. **Insurance.** During the course of performing services under this Agreement, we agree to maintain the following levels of insurance: (a) Commercial General Liability of at least \$1,000,000; (b) Automobile Liability of at least \$1,000,000; (c) Professional Liability of at least \$1,000,000; (d) Workers Compensation complying with applicable statutory requirements; and (e) Excess/Umbrella Liability of at least \$5,000,000. We will add you as an additional insured to our Commercial General Liability and Automobile Liability policies, which will automatically add you as an additional insured to our Excess/Umbrella Liability policy as well. We will provide you with copies of certificates of insurance upon your written request.

## **SECTION H – GENERAL TERMS AND CONDITIONS**

1. **Additional Products and Services.** You may purchase additional products and services at the rates set forth in the Investment Summary for twelve (12) months from the Effective Date by executing a mutually agreed addendum. If no rate is provided in the Investment Summary, or those twelve (12) months have expired, you may purchase additional products and services at our then-current list price, also by executing a mutually agreed addendum. The terms of this Agreement will control any such additional purchase(s), unless otherwise specifically provided in the addendum.
2. **Optional Items.** Pricing for any listed optional products and services in the Investment Summary will be valid for twelve (12) months from the Effective Date.

3. Dispute Resolution. You agree to provide us with written notice within thirty (30) days of becoming aware of a dispute. You agree to cooperate with us in trying to reasonably resolve all disputes, including, if requested by either party, appointing a senior representative to meet and engage in good faith negotiations with our appointed senior representative. Senior representatives will convene within thirty (30) days of the written dispute notice, unless otherwise agreed. All meetings and discussions between senior representatives will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar applicable state rule. If we fail to resolve the dispute, then the parties shall participate in non-binding mediation in an effort to resolve the dispute. If the dispute remains unresolved after mediation, then either of us may assert our respective rights and remedies in a court of competent jurisdiction. Nothing in this section shall prevent you or us from seeking necessary injunctive relief during the dispute resolution procedures.
4. Taxes. The fees in the Investment Summary do not include any taxes, including, without limitation, sales, use, or excise tax. If you are a tax-exempt entity, you agree to provide us with a tax-exempt certificate. Otherwise, we will pay all applicable taxes to the proper authorities and you will reimburse us for such taxes. If you have a valid direct-pay permit, you agree to provide us with a copy. For clarity, we are responsible for paying our income taxes, both federal and state, as applicable, arising from our performance of this Agreement.
5. Nondiscrimination. We will not discriminate against any person employed or applying for employment concerning the performance of our responsibilities under this Agreement. This discrimination prohibition will apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation. We will post, where appropriate, all notices related to nondiscrimination as may be required by applicable law.
6. E-Verify. We have complied, and will comply, with the E-Verify procedures administered by the U.S. Citizenship and Immigration Services Verification Division for all of our employees assigned to your project.
7. Subcontractors. We will not subcontract any services under this Agreement without your prior written consent, not to be unreasonably withheld.
8. Binding Effect; No Assignment. This Agreement shall be binding on, and shall be for the benefit of, either your or our successor(s) or permitted assign(s). Neither party may assign this Agreement without the prior written consent of the other party; provided, however, your consent is not required for an assignment by us as a result of a corporate reorganization, merger, acquisition, or purchase of substantially all of our assets.
9. Force Majeure. Except for your payment obligations, neither party will be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by Force Majeure; provided, however, that within ten (10) business days of the Force Majeure event, the party whose performance is delayed provides the other party with written notice explaining the cause and extent thereof, as well as a request for a reasonable time extension equal to the estimated duration of the Force Majeure event.

10. No Intended Third Party Beneficiaries. This Agreement is entered into solely for the benefit of you and us. No third party will be deemed a beneficiary of this Agreement, and no third party will have the right to make any claim or assert any right under this Agreement. This provision does not affect the rights of third parties under any Third Party Terms.
11. Entire Agreement; Amendment. This Agreement represents the entire agreement between you and us with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. Purchase orders submitted by you, if any, are for your internal administrative purposes only, and the terms and conditions contained in those purchase orders will have no force or effect. This Agreement may only be modified by a written amendment signed by an authorized representative of each party.
12. Severability. If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement will be considered valid and enforceable to the fullest extent permitted by law.
13. No Waiver. In the event that the terms and conditions of this Agreement are not strictly enforced by either party, such non-enforcement will not act as or be deemed to act as a waiver or modification of this Agreement, nor will such non-enforcement prevent such party from enforcing each and every term of this Agreement thereafter.
14. Independent Contractor. We are an independent contractor for all purposes under this Agreement.
15. Notices. All notices or communications required or permitted as a part of this Agreement, such as notice of an alleged material breach for a termination for cause or a dispute that must be submitted to dispute resolution, must be in writing and will be deemed delivered upon the earlier of the following: (a) actual receipt by the receiving party; (b) upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the receiving party; (c) upon receipt by sender of proof of email delivery; or (d) if not actually received, five (5) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the other party at the address set forth on the signature page hereto or such other address as the party may have designated by proper notice. The consequences for the failure to receive a notice due to improper notification by the intended receiving party of a change in address will be borne by the intended receiving party.
16. Client Lists. You agree that we may identify you by name in client lists, marketing presentations, and promotional materials.
17. Confidentiality. Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities, including the parties. Confidential information is nonpublic information that a reasonable person would believe to be confidential and includes, without limitation, personal identifying information (*e.g.*, social security numbers) and trade secrets, each as defined by applicable state law. Each party agrees that it will not disclose any confidential information of the other party and further agrees to take all reasonable and appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein will survive the termination or cancellation of this Agreement. This obligation of confidentiality will not apply to information that:



- (a) is in the public domain, either at the time of disclosure or afterwards, except by breach of this Agreement by a party or its employees or agents;
  - (b) a party can establish by reasonable proof was in that party's possession at the time of initial disclosure;
  - (c) a party receives from a third party who has a right to disclose it to the receiving party; or
  - (d) is the subject of a legitimate disclosure request under the open records laws or similar applicable public disclosure laws governing this Agreement; provided, however, that in the event you receive an open records or other similar applicable request, you will give us prompt notice and otherwise perform the functions required by applicable law.
18. Business License. In the event a local business license is required for us to perform services hereunder, you will promptly notify us and provide us with the necessary paperwork and/or contact information so that we may timely obtain such license.
19. Governing Law. This Agreement will be governed by and construed in accordance with the laws of your state of domicile, without regard to its rules on conflicts of law.
20. Multiple Originals and Authorized Signatures. This Agreement may be executed in multiple originals, any of which will be independently treated as an original document. Any electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment hereto will be deemed an original signature and will be fully enforceable as if an original signature. Each party represents to the other that the signatory set forth below is duly authorized to bind that party to this Agreement.
21. Cooperative Procurement. To the maximum extent permitted by applicable law, we agree that this Agreement may be used as a cooperative procurement vehicle by eligible jurisdictions. We reserve the right to negotiate and customize the terms and conditions set forth herein, including but not limited to pricing, to the scope and circumstances of that cooperative procurement.
22. Contract Documents. This Agreement includes the following exhibits:
- |           |   |
|-----------|---|
| Exhibit A | Investment Summary                      |
| Exhibit B | Invoicing and Payment Policy            |
|           | Schedule 1: Business Travel Policy      |
| Exhibit C | Service Level Agreement                 |
|           | Schedule 1: Support Call Process        |
| Exhibit D | Web Services – Hosted Application Terms |
| Exhibit E | Statement of Work                       |

SIGNATURE PAGE FOLLOWS



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

Tyler Technologies, Inc.

City of Osseo

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address for Notices:

Tyler Technologies, Inc.

One Tyler Drive

Yarmouth, ME 04096

Attention: Chief Legal Officer

Address for Notices:

City of Osseo

PO Box 1180

Osseo, MN 55311

**Attention:** \_\_\_\_\_



## **Exhibit A**

### **Investment Summary**

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

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Quoted By: Cody Gunstenson  
 Quote Expiration: 5/11/2020  
 Quote Name: City of Osseo - FIN/Personnel/UB/ICD  
 Quote Number: 2019-97408-2  
 Quote Description: SaaS

Sales Quotation For  
 City of Osseo  
 PO Box 1180  
 Osseo, MN 55311-6180  
 Phone: +1 (763) 425-2624

#### Tyler Software and Related Services - SaaS

Description	One Time Fees			# Years	Annual Fee
	Impl. Hours	Impl. Cost	Data Conversion		
<b>Financial Management Suite</b>					
Core Financials	116	\$12,180	\$4,510		\$3,635
<b>Personnel Management Suite</b>					
Personnel Management (Includes Position Budgeting)	88	\$9,240	\$3,840		\$1,957
Employee Self Service (Employee Portal)	8	\$840	\$0		\$0
ESS Time & Attendance (Number of FTE Employees)	24	\$2,520	\$0		\$1,163
<b>Customer Relationship Management Suite</b>					
Misc. Accounts Receivable	12	\$1,260	\$0		\$1,047
Utility CIS System	120	\$12,600	\$7,680		\$2,795
Mobile Service Orders	8	\$840	\$0		\$140
Cashiering	28	\$2,940	\$0		\$839
EasyPay Online Payment Component	0	\$0	\$0		\$0
Smart Meter Portal	0	\$0	\$0		\$2,339
<b>Tyler Content Manager</b>					
Tyler Content Manager Standard Edition (TCM SE)	32	\$3,360	\$0		\$1,187
<b>Community Development</b>					
Incode Permitting and Code Enforcement	64	\$6,720	\$0		\$2,315
Permitting Online Component	0	\$0	\$0		\$1,047
<b>Tyler Hosted Applications</b>					
Utility Billing Online Component	0	\$0	\$0		\$432
Notifications for Utility Billing	0	\$0	\$0		\$0
IVR Solution for Utility Billing	0	\$0	\$0		\$0
Tyler U	0	\$0	\$0		\$1,410
Hosting Fee	0	\$0	\$0		\$2,875
<b>Sub-Total:</b>		\$52,500	\$16,030		\$23,181
<b>TOTAL:</b>	500	\$52,500	\$16,030	5	\$23,181

#### Other Services

Description	Quantity	Unit Price	Extended Price	Maintenance
Online Application -Set up fee	1	\$800	\$800	\$0
Project Management	1	\$5,000	\$5,000	\$0
<b>TOTAL:</b>			\$5,800	\$0

#### Summary

	One Time Fees	Recurring Fees
Total Tyler SaaS	\$0	\$23,181
Total Tyler Services	\$74,330	\$0
Total Third Party Hardware, Software and Services	\$0	\$0
<b>Summary Total</b>	<b>\$74,330</b>	<b>\$23,181</b>
Estimated Travel Expenses	\$31,510	

#### Detailed Breakdown of Conversions (Included in contract total)

Description	Hours	Unit Price	Programming Fee	Extended Price
<b>Financial Management Suite</b>				
General Ledger Master			\$1,000	\$1,000
General Ledger History	4	\$105	\$500	\$920
Accounts Payable Master	4	\$105	\$1,250	\$1,670
Accounts Payable History	4	\$105	\$500	\$920
<b>Personnel Management Suite</b>				
Personnel Management -Payroll Master	4	\$105	\$2,000	\$2,420
Personnel Management -Payroll History	4	\$105	\$1,000	\$1,420
<b>Customer Relationship Management Suite</b>				
Utility Billing History	4	\$105	\$1,000	\$1,420
Utility Billing Master	12	\$105	\$5,000	\$6,260
<b>Total:</b>				<b>\$16,030</b>

#### Optional Tyler Software and Related Services - SaaS

Description	One Time Fees			# Years	Annual Fee
	Impl. Hours	Impl. Cost	Data Conversion		
<b>Financial Management Suite</b>					
Fixed Assets	12	\$1,260	\$0		\$582
<b>Customer Relationship Management Suite</b>					
Work Orders	56	\$5,880	\$0		\$1,512
<b>Sub-Total:</b>		\$7,140	\$0		\$2,094
<b>TOTAL:</b>	68	\$7,140	\$0	5	\$2,094



- Travel Expenses will be billed as incurred according to Tyler's standard business travel policy.
- Core Financials includes general ledger, budget prep, bank recon, AP, Express, CellSense, a standard forms pkg, output director, positive pay, secure signatures (qty 2).
- Utility CIS System includes collections, tax lien process and import, utility payment import, a standard forms pkg., output director and one Utility handheld meter-reader interface.
- Cashiering supports credit/debit cards via ETS, includes PCI Compliant, a cash collection interface, a cashiering receipt import)
- Incode Utility Billing Online Component displays the current status (late, cut off etc), the 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 (online payments). Payment packet is created to be imported to utility system. Address information includes legal description, precinct, school district, and services at address(subject to data availability). Includes consumption history by service (including graphs), request for service (optional), information change request (optional), security -SSL (secure socket layer). Note that the customer pays \$1.25 fee per transaction for payment on-line.
- Notification for Utility Billing (\$0.10 per call) includes Customer notification by phone (call late notices and general notifications). Call lists are automatically generated and the account is updated after the call. It includes a custom message for each call type and the call message can be in English or Spanish. It generates reports based on call results. Note: The Utility will be billed at the rate specified above for all the calls made. The Utility will be billed quarterly by Tyler Technologies for calls conducted.
- General Ledger conversions include Chart of Accounts - additional fee for historical views.
- Accounts Payable conversions include Vendor Master Only - additional fee for historical views.
- Personnel Management/Payroll conversions include employee master, deductions/taxes, retirement, current leave totals, current direct deposit - additional fee for historical views.
- Utility Billing conversions include contacts/properties/accounts, service meter info - meter inventory, transaction/consumption/read history, metered services, non-metered service. Additional fee for historical views.
- Incode IVR Solution for Utility Billing-The payment packet is created in centralized cash collections. The IVR system gives the customer an account balance, the customer makes the payment by phone, and the account manager is updated with the payment record. NOTE: There is a \$1.25 per transaction fee associated with the IVR that will be paid by client unless Tyler is instructed by the client to pass along to the user at time of payment.
- Permitting Online displays project status, projects for payment, and schedule/re-schedule inspections. It has security -SSL (Secure socket Layer), payment processing (credit card), and the payment packet is created to be imported to the Permitting System. Note that the customer pays \$1.25 fee per transaction for payment on-line.
- EasyPay Online Payment Component allows clients to setup payment forms for misc. payments with a fixed, calculated or open payment amount. The payments are sent from the website to the cash collection/Cashiering application and then posted to the GL application. NOTE: There is a \$1.25 per transaction fee associated with the EasyPay that will be paid by client unless Tyler is instructed by the client to pass along to the user at time of payment.
- Travel Expenses are billed as incurred based on our current Business Travel Policy.
- Hosting User Fee includes 5 users. Hosting includes Basic Network Services and Disaster Recovery Services.
- Smart Meter Portal give the ability to view AMI data in a chart form thru Billing online Payments. It provides citizen transparency to track and proactively manage consumption and citizens can opt in to receive consumption notifications and leak alerts. Note: Notifications are billed out quarterly as incurred at \$0.10 per call or text.



## Exhibit B

### Invoicing and Payment Policy

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

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

1. **SaaS Fees.** SaaS Fees are invoiced on an annual basis, beginning on the commencement of the initial term as set forth in Section F (1) of this Agreement. Your annual SaaS fees for the initial term are set forth in the Investment Summary. Upon expiration of the initial term, your annual SaaS fees will be at our then-current rates.
2. **Other Tyler Software and Services.**
  - 2.1 *VPN Device:* The fee for the VPN device will be invoiced upon installation of the VPN.
  - 2.2 *Implementation and Other Professional Services (including training):* Implementation and other professional services (including training) are billed and invoiced as delivered, at the rates set forth in the Investment Summary.
  - 2.3 *Consulting Services:* If you have purchased any Business Process Consulting services, if they have been quoted as fixed-fee services, they will be invoiced 50% upon your acceptance of the Best Practice Recommendations, by module, and 50% upon your acceptance of custom desktop procedures, by module. If you have purchased any Business Process Consulting services and they are quoted as an estimate, then we will bill you the actual services delivered on a time and materials basis.
  - 2.4 *Conversions:* Fixed-fee conversions are invoiced 50% upon initial delivery of the converted Data, by conversion option, and 50% upon Client acceptance to load the converted Data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, we will bill you the actual services delivered on a time and materials basis.
  - 2.5 *Requested Modifications to the Tyler Software:* Requested modifications to the Tyler Software are invoiced 50% upon delivery of specifications and 50% upon delivery of the applicable modification. You must report any failure of the modification to conform to the specifications within thirty (30) days of delivery; otherwise, the modification will be deemed to be in compliance with the specifications after the 30-day window has passed. You may still report Defects to us as set forth in this Agreement.



- 2.6 *Other Fixed Price Services*: Other fixed price services are invoiced as delivered, at the rates set forth in the Investment Summary. For the avoidance of doubt, where “Project Planning Services” are provided, payment will be due upon delivery of the Implementation Planning document.

Dedicated Project Management services, if any, will be billed monthly in arrears, beginning on the first day of the month immediately following initiation of project planning.

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

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

### 3. Third Party Products.

- 3.1 *Third Party Software License Fees*: License fees for Third Party Software, if any, are invoiced when we make it available to you for downloading.

- 3.2 *Third Party Software Maintenance*: The first year maintenance for the Third Party Software is invoiced when we make it available to you for downloading.

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

- 3.4 *Third Party Services*: Fees for Third Party Services, if any, are invoiced as delivered, along with applicable expenses, at the rates set forth in the Investment Summary.

- 3.5 *Tyler Notify Minutes and Messages*: Tyler Notify Minutes and Messages are invoiced when we make Tyler Notify available to you. Subsequent fees for minutes and messages, at our then-current rates, will be due when you request additional minutes and messages and they are made available to you.

4. Expenses. The service rates in the Investment Summary do not include travel expenses. Expenses for Tyler delivered services will be billed as incurred and only in accordance with our then-current Business Travel Policy, plus a 10% travel agency processing fee. Our current Business Travel Policy is attached to this Exhibit B at Schedule 1. Copies of receipts will be provided upon request; we reserve the right to charge you an administrative fee depending on the extent of your requests. Receipts for miscellaneous items less than twenty-five dollars and mileage logs are not available.

**Payment.** Payment for undisputed invoices is due within forty-five (45) days of the invoice date. We prefer to receive payments electronically. Our electronic payment information is:

Bank:	Wells Fargo Bank, N.A. 420 Montgomery San Francisco, CA 94104
ABA:	121000248
Account:	4124302472
Beneficiary:	Tyler Technologies, Inc. – Operating



**Exhibit B**  
**Schedule 1**  
**Business Travel Policy**

**1. Air Travel**

**A. Reservations & Tickets**

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

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

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

**B. Baggage Fees**

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

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

Baggage fees for sports equipment are not reimbursable.



## 2. Ground Transportation

### A. Private Automobile

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

### B. Rental Car

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

### C. Public Transportation

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

### D. Parking & Tolls

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

## 3. Lodging

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

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

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

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

#### 4. Meals and Incidental Expenses

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

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

##### A. Overnight Travel

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

###### Departure Day

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

###### Return Day

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

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

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

Breakfast	15%
Lunch	25%
Dinner	60%

##### B. Same Day Travel

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

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

5. Internet Access – Hotels and Airports

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

6. International Travel

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

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

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

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



## Exhibit C

### Service Level Agreement

#### I. Agreement Overview

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

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

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

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

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

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

#### III. Service Availability

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

##### a. Your Responsibilities

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

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

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

##### b. Our Responsibilities

When our support team receives a call from you that Downtime has occurred or is occurring, we will work with you to identify the cause of the Downtime (including whether it may be the result of a Client Error Incident or Force Majeure). We will also work with you to resume normal operations.

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

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

**c. Client Relief**

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

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

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

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

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

**IV. Applicability**

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

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

**V. Force Majeure**

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



## **Exhibit C Schedule 1 Support Call Process**

### **Support Channels**

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

- (1) Tyler Community – an on-line resource, Tyler Community provides a venue for all Tyler clients with current maintenance agreements to collaborate with one another, share best practices and resources, and access documentation.
- (2) On-line submission (portal) – for less urgent and functionality-based questions, users may create unlimited support incidents through the customer relationship management portal available at the Tyler Technologies website.
- (3) Email – for less urgent situations, users may submit unlimited emails directly to the software support group.
- (4) Telephone – for urgent or complex questions, users receive toll-free, unlimited telephone software support.

### *Support Resources*

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

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

### **Support Availability**

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

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

## Issue Handling

### *Incident Tracking*

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

### *Incident Priority*

Each incident is assigned a priority number, which corresponds to the client’s needs and deadlines. The client is responsible for reasonably setting the priority of the incident per the chart below. This chart is not intended to address every type of support incident, and certain “characteristics” may or may not apply depending on whether the Tyler software has been deployed on customer infrastructure or the Tyler cloud. The goal is to help guide the client towards clearly understanding and communicating the importance of the issue and to describe generally expected responses and resolutions.

Priority Level	Characteristics of Support Incident	Resolution Targets
1 Critical	Support incident that causes (a) complete application failure or application unavailability; (b) application failure or unavailability in one or more of the client’s remote location; or (c) systemic loss of multiple essential system functions.	Tyler shall provide an initial response to Priority Level 1 incidents within one (1) business hour of receipt of the support incident. Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within one (1) business day. For non-hosted customers, Tyler’s responsibility for lost or corrupted Data is limited to assisting the client in restoring its last available database.
2 High	Support incident that causes (a) repeated, consistent failure of essential functionality affecting more than one user or (b) loss or corruption of Data.	Tyler shall provide an initial response to Priority Level 2 incidents within four (4) business hours of receipt of the support incident. Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within ten (10) business days. For non-hosted customers, Tyler’s responsibility for loss or corrupted Data is limited to assisting the client in restoring its last available database.
3 Medium	Priority Level 1 incident with an existing circumvention procedure, or a Priority Level 2 incident that affects only one user or for which there is an existing circumvention procedure.	Tyler shall provide an initial response to Priority Level 3 incidents within one (1) business day of receipt of the support incident. Tyler shall use commercially reasonable efforts to resolve such support incidents without the need for a circumvention procedure with the next published maintenance update or service pack. For non-hosted customers, Tyler’s responsibility for lost or corrupted Data is limited to assisting the client in restoring its last available database.

Priority Level	Characteristics of Support Incident	Resolution Targets
4 Non-critical	Support incident that causes failure of non-essential functionality or a cosmetic or other issue that does not qualify as any other Priority Level.	Tyler shall provide an initial response to Priority Level 4 incidents within two (2) business days. Tyler shall use commercially reasonable efforts to resolve such support incidents, as well as cosmetic issues, with a future version release.

### *Incident Escalation*

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

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

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

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

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

### *Remote Support Tool*

Some support calls require further analysis of the client's database, process or setup to diagnose a problem or to assist with a question. Tyler will, at its discretion, use an industry-standard remote support tool. Support is able to quickly connect to the client's desktop and view the site's setup, diagnose problems, or assist with screen navigation. More information about the remote support tool Tyler uses is available upon request.





## Exhibit D

### Web Services – Hosted Application Terms

Tyler Technologies, Inc. will provide you with the hosted applications indicated in the Investment Summary of your License and Services Agreement. The terms and conditions contained in this document only apply to our provision of those applications. Capitalized terms not otherwise defined will have the meaning assigned to such terms in your License and Services Agreement.

1. Hosted Applications. We will provide you with any of the following hosted applications as indicated in the Investment Summary.
  - 1.1. *Web Services*: Our Web Services are designed to enable you to easily establish a presence on the Internet. Our Web Hosting and Design is composed of our Web Hosting and Design Publishing Component and other miscellaneous components. These components may be used independently or in conjunction with each other.
  - 1.2. *Utility Billing On-Line*: Our Utility Billing On-Line Component allows you to make available certain information from your utility billing system to citizens with Internet access. This information is posted to your web site, which is hosted on our 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.
  - 1.3. *Court On-Line*: Our Court On-Line Component provides the ability for municipal court fines to be paid by credit card via the Internet. This system interfaces seamlessly with our InCode Municipal Court System.
  - 1.4. *Building Projects On-Line*: Our Building Projects On-Line Component allows you to make available certain information from your building projects system to citizens with Internet access. This information is posted to your web site, which is hosted on our web server. With the proper security clearance, citizens with Internet access have access to the data which can include: Building project status, inspection results, inspection scheduling and the opportunity to pay their building projects over the Internet using a credit card.
  - 1.5. *Business License On-Line*: Our Business License On-Line Component allows you to make available certain information from your business license system to citizens with Internet access. This information is posted to your web site, which is hosted on our web server. With the proper security clearance, citizens with Internet access have access to the data which can include: business license status, business license renewal and the opportunity to pay their business license over the Internet using a credit card.

- 1.6. *Accounts Receivable On-Line*: Our Accounts Receivable On-Line Component allows you to make available certain information from your accounts receivable system to citizens with Internet access. This information is posted to your web site, which is hosted on our web server. With the proper security clearance, citizens with Internet access have access to the data which can include: current balance, contract status, and the opportunity to pay the accounts receivable over the Internet using a credit card.
- 1.7. *Call Center On-Line*: Our Call Center On-Line Component allows you to make available certain information from your call center system to citizens with Internet access. This information is posted to your web site, which is hosted on our web server. With the proper security clearance, citizens with Internet access have access to the data which can include: current and past incidents, create a new incident and view status of incident.
- 1.8. *Property Tax On-Line*: Our Property Tax On-Line Component allows you to make available certain information from your Property Tax System to citizens with Internet access. This information is posted to your web site, which is hosted on our web server. With the proper security clearance, citizens with Internet access have access to the data which can include: parcel number, receipt number, tax amount due, and the opportunity to pay the Property Tax over the Internet using a credit card.
- 1.9. *Sales Tax On-Line*: Our Sales Tax On-Line Component allows you to make available certain information from your Sales Tax System to citizens with Internet access. This information is posted to your web site, which is hosted on our web server. With the proper security clearance, citizens with Internet access have access to the data to pay outstanding Sales Tax balances over the Internet using a credit card.
2. Term. We will grant you access to the hosted applications provided you timely pay all associated fees. The term of your subscription will commence on the Effective Date and will continue for five (5) years. Thereafter, the term will be automatically extended in separate one (1) year periods. Either party may cancel this subscription to the hosted applications upon sixty (60) days written notice to the other.
3. Nature of Website. We shall maintain a website for you, allowing a user to access relevant data provided by you. This data may include information from your Tyler Software system. This website will be capable of accepting payments via Secured Socket Layer (SSL) encryption and credit card or debit card charge.
4. Data Procurement. You must set up a merchant account with Electronic Transaction System Corporation or authorized.net to be solely used for our Web Service transactions. The merchant account must be set up to fund to your bank account. You are responsible for all fees and expenses of the merchant account. You must install and run Tyler Web Services to allow us to transfer the necessary data from your system to our servers on a real time basis. Certain information, such as payment information, must be conveyed to you. We will be responsible for transferring such information to you on a regular basis. Tyler Web Services requires a dedicated IP address; assignment of this address is your responsibility. While we assume responsibility for data transfer, we are not responsible for accuracy of data transferred.
5. Limited License. Your license to use the hosted applications will automatically terminate upon cancellation of this subscription, or upon your failure to timely pay fees or otherwise comply with these terms and conditions.

6. Ownership of Data. All data you provide to us for the purposes of generating the website shall remain your property. Should you terminate your subscription, we shall return to you any such data in our possession.
7. Fees. You agree to pay the initial fee and annual subscription fees as stated in the Investment Summary and in accordance with our Invoicing and Payment Policy. We may increase the per-transaction fee for online payment no more than once per year with sixty (60) days prior written notice.



**Exhibit E**  
**Statement of Work**

# Statement of Work

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*Tyler Technologies*

## Prepared for:

**City of Osseo**  
Duane Poppe  
415 Central Avenue, Osseo, Minnesota 55369

## Prepared by:

**Cody Gunstenson**  
5519 53rd Street, Lubbock, TX 79414  
Tyler Technologies, Inc.  
[www.tylertech.com](http://www.tylertech.com)

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# Executive Summary

## 1.1 Project Overview

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

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

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

## 1.2 Product Summary

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

[PRODUCT]	[APPLICATION]
Incode	Financials
Incode	Personnel Management
Incode	Utility Billing
Incode	CRM
Tyler Content Manager	Document Management

## 1.3 Project Timeline

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

## 1.4 Project Methodology Overview

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

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

## Project Governance

The purpose of this section is to define the resources required to adequately establish the business needs, objectives, and priorities for the Project; communicate the goals to other project participants; and provide support and guidance to accomplish these goals. Project governance also defines the structure for issue escalation and resolution, Change Control review and authority, and organizational Change Management activities.

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

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

### 2.1 Client Governance

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

#### 2.1.1 Client Project Manager

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

#### 2.1.2 Steering Committee

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

### 2.1.3 Executive Sponsor(s)

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

## 2.2 Tyler Governance

### 2.2.1 Tyler Project Manager

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

### 2.2.2 Tyler Implementation Management

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

### 2.2.3 Tyler Executive Management

Tyler executive management has indirect involvement with the Project and is part of the Tyler escalation process. This team member offers additional support to the project team and collaborates with other Tyler department managers, as needed, in order to escalate and facilitate implementation project tasks and decisions. The name(s) and contact information for this resource will be provided and available to the project team.

## 2.3 Acceptance and Acknowledgment Process

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

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

## Overall Project Assumptions

### 3.1 Project, Resources and Scheduling

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

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

## 3.2 Data Conversion

- The City is readily able to produce the data files needed for conversion from the Legacy System in order to provide them to Tyler on the specified due date(s).
- Each Legacy System data file submitted for conversion includes all associated records in a single approved file layout.
- The City understands the Legacy System data extract(s) must be provided to Tyler in the same format each time unless changes are mutually agreed upon in advance. If not, negative impacts to the schedule, budget, and resource availability may occur and/or data in the new system may be incorrect.
- During this process, the City may need to correct data scenarios in the Legacy System prior to the final data pull. This is a complex activity and requires due diligence by the City to ensure all data pulled includes all required data and the Tyler system contains properly mapped data.

## 3.3 Data Exchanges, Modifications, Forms and Reports

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

## 3.4 Hardware and Software

- Tyler will initially Install the most current generally available version of the purchased Tyler software.
- The City will provide network access for Tyler modules, printers, and Internet access to all applicable City and Tyler project staff.

- The City has in place all hardware, software, and technical infrastructure necessary to support the Project.
- The City's system hardware and software meet Tyler standards to ensure sufficient speed and operability of Tyler software. Tyler will not support use of software if the City does not meet minimum standards of Tyler's published specifications.

### 3.5 Education

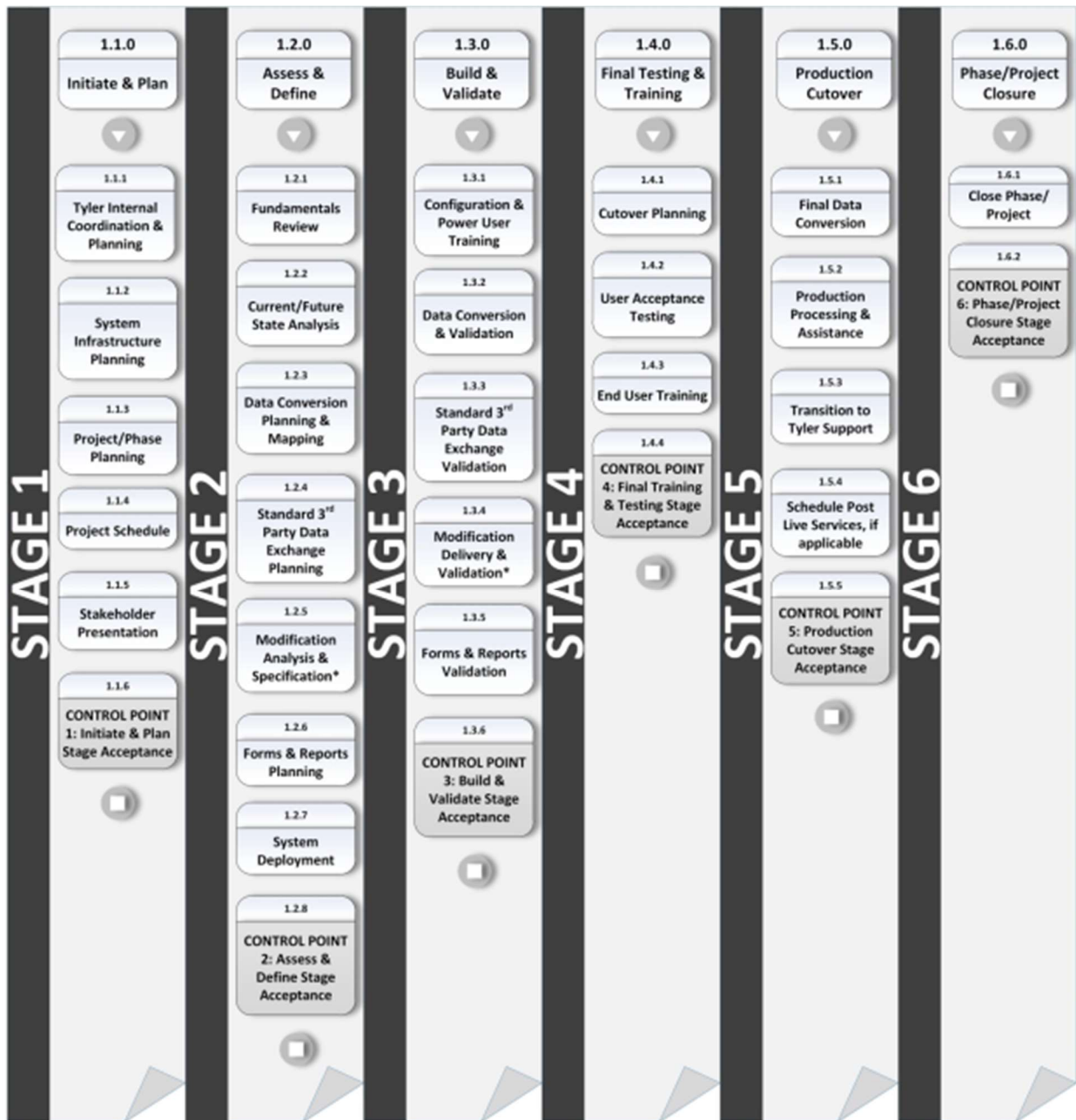
- Throughout the Project lifecycle, the City provides a training room for Tyler staff to transfer knowledge to the City's resources, for both onsite and remote sessions. The City will provide staff with a location to practice what they have learned without distraction. If Phases overlap, the City will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



## Implementation Stages

### 4.1 Work Breakdown Structure (WBS)

The Work Breakdown Structure (WBS) is a hierarchical representation of a Project or Phase broken down into smaller, more manageable components. The top-level components are called “Stages” and the second level components are called “work packages.” The work packages, shown below each Stage, contain the high-level work to be done. The detailed Project Plan, developed during Initiate & Plan and finalized during Assess & Define, will list the tasks to be completed within each work package. Each Stage ends with a “Control Point”, confirming the work performed during that Stage of the Project.



\* - If included in project scope

## 4.2 Initiate & Plan (Stage 1)

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

### 4.2.1 Tyler Internal Coordination & Planning

Prior to Project commencement, Tyler management staff assigns project manager(s). Tyler provides the City with initial Project documents used in gathering basic information, which aids in preliminary planning and scheduling. City participation in gathering requested information by provided deadlines ensures the Project moves forward in a timely fashion. Internally, the Tyler project manager(s) coordinate with sales to ensure transfer of vital information from the sales process prior to scheduling a Project Planning Meeting with the City's team. During this step, Tyler will work with the City to establish the date(s) for the Project/Phase Planning session.

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

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

## 4.2.2 System Infrastructure Planning

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

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

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

### 4.2.3 Project/Phase Planning

Project and Phase planning provides an opportunity to review the contract, software, data conversions and services purchased, identify Applications to implement in each Phase (if applicable), and discuss implementation timeframes. The Tyler project manager(s) deliver an Implementation Management Plan, which is mutually agreeable by City and Tyler.

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

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

## 4.2.4 Project Schedule

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

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

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

## 4.2.5 Stakeholder Presentation

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

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

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

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

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

### 4.2.6.1 Initiate & Plan Stage Deliverables

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

### 4.2.6.2 Initiate & Plan Stage Acceptance Criteria

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



## 4.3 Assess & Define (Stage 2)

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

### 4.3.1 Fundamentals Review

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

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

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

### 4.3.2 Current/Future State Analysis

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

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

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

### 4.3.3 Data Conversion Planning & Mapping

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

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

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

#### 4.3.4 Standard 3rd Party Data Exchange Planning

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

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

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

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

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

### 4.3.5 Modification Analysis & Specification, if contracted

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

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

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

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

### 4.3.6 Forms & Reports Planning

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

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

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

### 4.3.7 System Deployment

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

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

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

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

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

### 4.3.8.1 Assess & Define Stage Deliverables

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

### 4.3.8.2 Assess & Define Stage Acceptance Criteria

- Tyler software is installed.
- Fundamentals review is complete.
- Required Form information complete and provided to Tyler.



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

## 4.4 Build & Validate (Stage 3)

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

### 4.4.1 Configuration & Power User Training

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

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

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

## 4.4.2 Data Conversion & Validation

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

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

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

### 4.4.3 Standard 3rd Party Data Exchange Validation

Tyler provides training on Data Exchange(s) and the City tests each Data Exchange.

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

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

#### 4.4.4 Modification Delivery & Validation, if contracted

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

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

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

## 4.4.5 Forms & Reports Validation

Tyler provides training on Standard Forms/Reports and the City tests each Standard Form/Report.

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

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

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

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

### 4.4.6.1 Build & Validate Stage Deliverables

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

### 4.4.6.2 Build & Validate Stage Acceptance Criteria

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

## 4.5 Final Testing & Training (Stage 4)

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

### 4.5.1 Cutover Planning

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

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

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



## 4.5.2 User Acceptance Testing (UAT)

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

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

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

### 4.5.3 End User Training

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

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

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

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

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

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

### 4.5.4.1 Final Testing & Training Stage Deliverables

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

### 4.5.4.2 Final Testing & Training Stage Acceptance Criteria

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

## 4.6 Production Cutover (Stage 5)

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

### 4.6.1 Final Data Conversion, if applicable

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

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

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

## 4.6.2 Production Processing & Assistance

Tyler staff collaborates with the City during Production Cutover activities. The City transitions to Tyler software for day-to day business processing.

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

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

### 4.6.3 Transition to Tyler Support

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

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

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

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

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

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

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

## 4.6.5 Control Point 5: Production Cutover Stage Acceptance

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

### 4.6.5.1 Production Cutover Stage Deliverables

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

### 4.6.5.2 Production Cutover Stage Acceptance Criteria

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



## 4.7 Phase/Project Closure (Stage 6)

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

### 4.7.1 Close Phase/Project

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

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

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

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

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

### 4.7.2.1 Phase/Project Closure Stage Deliverables

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

### 4.7.2.2 Phase/Project Closure Stage Acceptance Criteria

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

## Roles and Responsibilities

### 5.1 Tyler Roles and Responsibilities

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

#### 5.1.1 Tyler Executive Management

- Provides clear direction for Tyler staff on executing on the Project Deliverables to align with satisfying the City's overall organizational strategy.
- Authorizes required project resources.
- Resolves all decisions and/or issues not resolved at the implementation management level as part of the escalation process.
- Offers additional support to the project team and is able to work with other Tyler department managers in order to escalate and facilitate implementation project tasks and decisions.
- Acts as the counterpart to the City's executive sponsor.

#### 5.1.2 Tyler Implementation Management

- Acts as the counterpart to the City steering committee.
- Assigns initial Tyler project personnel.
- Works to resolve all decisions and/or issues not resolved at the Project Management level as part of the escalation process.
- Attends City steering committee meetings as necessary.
- Provides support for the project team.
- Provides management support for the Project to ensure it is staffed appropriately and staff have necessary resources.
- Monitors project progress including progress towards agreed upon goals and objectives.

#### 5.1.3 Tyler Project Manager

The Tyler project manager(s) provides oversight of the Project, coordination of resources between departments, management of the project budget and schedule, effective risk and issue management, and is the primary point of contact for all Project related items.

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

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

### 5.1.4 Tyler Implementation Consultant

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

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

### 5.1.5 Tyler Sales

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

### 5.1.6 Tyler Software Support

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

## 5.2 City Roles and Responsibilities

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

### 5.2.1 City Executive Sponsor

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

### 5.2.2 City Steering Committee

- Works to resolve all decisions and/or issues not resolved at the project manager level as part of the escalation process.
- Attends all scheduled steering committee meetings.
- Provides support for the project team.
- Assists with communicating key project messages throughout the organization.

- Prioritizes the project within the organization.
- Provides management support for the project to ensure it is staffed appropriately and staff have necessary resources.
- Monitors project progress including progress towards agreed upon goals and objectives.
- Has the authority to approve or deny changes impacting the following areas:
  - Cost
  - Scope
  - Schedule
  - Project Goals
  - City Policies

### 5.2.3 City Project Manager

The City shall assign project manager(s) prior to the start of this Project with overall responsibility and authority to make decisions related to project Scope, scheduling, and task assignment, and communicates decisions and commitments to the Tyler project manager(s) in a timely and efficient manner. When the City project manager(s) do not have the knowledge or authority to make decisions, he or she engages the correct resources from City to participate in discussions and make decisions in a timely fashion to avoid Project delays.

- Contract Management
  - Validates contract compliance throughout the Project.
  - Ensures invoicing and Deliverables meet contract requirements.
  - Acts as primary point of contact for all contract and invoicing questions.
  - Signs off on contract milestone acknowledgment documents.
  - Collaborates on and approves Change Requests, if needed, to ensure proper Scope and budgetary compliance.
- Planning
  - Review and acknowledge Implementation Management Plan.
  - Defines project tasks and resource requirements for City project team.
  - Collaborates in the development and approval of the initial Project Plan and Project Plan.
  - Collaborates with Tyler project manager(s) to plan and schedule Project timelines to achieve on-time implementation.
- Implementation Management
  - Tightly manages Project budget and Scope and collaborates with Tyler project manager(s) to establish a process and approval matrix to ensure Scope changes and budget planned versus actual are transparent and handled effectively and efficiently.
  - Collaborates with Tyler project manager to establish and manage a schedule and resource plan that properly supports the Project Plan, as a whole, that is also in balance with Scope/budget.
  - Collaborates with Tyler Project manager(s) to establishes risk/issue tracking/reporting process between the City and Tyler and takes all necessary steps to proactively mitigate these items or communicates with transparency to Tyler any items that may impact the outcomes of the Project.

- Collaborates with Tyler Project manager(s) to establish key business drivers and success indicators that will help to govern Project activities and key decisions to ensure a quality outcome of the Project.
- Routinely communicates with both City staff and Tyler, aiding in the understanding of goals, objectives, current status, and health of the Project by all team members.
- Team Management
  - Acts as liaison between project team and stakeholders.
  - Identifies and coordinates all City resources across all modules, Phases, and activities including data conversions, forms design, hardware and software installation, reports building, and satisfying invoices.
  - Provides direction and support to project team.
  - Builds partnerships among the various stakeholders, negotiating authority to move the Project forward.
  - Manages the appropriate assignment and timely completion of tasks as defined in the Project Plan, task list, and Production Cutover Checklist.
  - Assesses team performance and takes corrective action, if needed.
  - Provides guidance to City technical teams to ensure appropriate response and collaboration with Tyler Technical Support Teams to ensure timely response and appropriate resolution.
  - Coordinates in Scope 3<sup>rd</sup> party providers to align activities with ongoing Project tasks.

#### 5.2.4 City Functional Leads

- Makes business process change decisions under time sensitive conditions.
- Communicates existing business processes and procedures to Tyler consultants.
- Assists in identifying business process changes that may require escalation.
- Attends and contributes business process expertise for current/future state analysis sessions.
- Identifies and includes additional subject matter experts to participate in Current/Future State Analysis sessions.
- Provides business process change support during Power User and End User training.
- Completes performance tracking review with client project team on End User competency on trained topics.
- Provides Power and End Users with dedicated time to complete required homework tasks.
- Act as an ambassador/champion of change for the new process.
- Identifies and communicates any additional training needs or scheduling conflicts to City project manager.
- Prepares and Validates Forms.
- Actively participates in all aspects of the implementation, including, but not limited to, the following key activities:
  - Task completion
  - Stakeholder Presentation
  - Implementation Management Plan development
  - Schedule development
  - Maintenance and monitoring of risk register
  - Escalation of issues
  - Communication with Tyler project team
  - Coordination of City resources

- Attendance at scheduled sessions
- Change Management activities
- Modification specification, demonstrations, testing and approval assistance
- Conversion Analysis and Verification Assistance
- Decentralized End User Training
- Process Testing
- User Acceptance Testing

### 5.2.5 City Power Users

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

### 5.2.6 City End Users

- Attend all scheduled training sessions.
- Become proficient in Application functions related to job duties.
- Adopt and utilize changed procedures.
- Complete all Deliverables by the due dates defined in the Project Plan.
- Utilize software to perform job functions at and beyond Production Cutover.

### 5.2.7 City Technical Support

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



### 5.2.8 City Upgrade Coordinator

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

### 5.2.9 City Project Toolset Coordinator

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

### 5.2.10 City Change Management Lead

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

## Incode Conversion Summary

### 6.1 Utility Billing - Standard

- Utility Contact Information
- Utility Mailing and Billing Addresses
- Utility Parcels
- Account Master - (Average monthly payment, deposits, bank drafts, comments/notes)
- Meters/Services
- Transaction History – Includes current year plus one prior year
- Read History

### 6.2 Utility Billing – Legacy/Historical Views

- Unlimited historical transactions provided by client can be converted by Tyler into historical views

## Financial Conversion Summary

This document is a summary of what is included in the standard conversion for Tyler Technologies Financial Suite. Items not listed below are generally assumed to not be eligible for electronic data conversion.

### 7.1 Client Responsibilities

- Data in Tyler's Standard Data Layouts or approved formats
- Provide data definitions
- Provide matching reports & screen shots with the provided data
- Review conversion during setup and go-live

#### 7.1.1 General Ledger

Standard Conversion Includes:

- Full chart of accounts listing, descriptions, and corresponding account types
- Element (segment) values and descriptions
- Summarized budget figures for current fiscal year
- Unlimited historical transactions as provided by client.

**NOTE:** Training will be provided on how to import additional budget years from Excel.

#### 7.1.2 Accounts Payable

Standard Conversion Includes:

- Vendor master information, address, primary contact, and NOTES
- Unlimited historical transactions as provided by client.

#### 7.1.3 Personnel Management

Standard Conversion Includes:

- Basic employee information – employee master, address, primary contact, dates, phone numbers, dependents, **NOTES**
- Employee Deductions & Taxes
- Employee Direct Deposit Information
- Employee Leave Balances
- Employee Retirement
- Rates/Base Pay (salary / hourly compensation)
- Unlimited historical transactions provided by client.

**NOTE:** Employee positions/deductions will be created according to recommended best business practices.

#### 7.1.4 Applications not converted

- Bank Reconciliation
- Employee Self Services/Time & Attendance

### 7.1.5 Custom Conversion Services

Tyler is able to provide custom conversion services for clients who need services beyond what the standard conversion offers. An estimate can be provided for these services, and actual time and materials are billed. The following are a few examples of items that are **not included** in the standard conversion and can be addressed through custom conversion services:

- Data cleaning; including but not limited to name clean-up and data fixes
- Converting from multiple sources of data
- Changing configuration after sign-off
- Work Order historical data
- Purchase Order historical data
- Inventory

## 7.2 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. Below are the approved formats:

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

To ensure that no data is corrupted, staff should exit the software prior to pulling the data and restrict processing of any transactions during this time.

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.

Tyler Technologies deploys several methods of transferring files across the internet. For client’s sensitive data, we use Secure File Transfer Protocol (SFTP) servers because it is our policy to never transmit sensitive data across the Internet. If your data requires more sensitive measures please contact your assigned Project Manager. All data uploads and downloads are performed via secure connections. Prior to any data uploads you must compress your data. Your Project Manager will provide you with instructions containing your SFTP user name and password along with a tool for compressing your data.

### 7.2.1 Matching Reports

Matching reports are essential to your conversion. These will be used to determine the validity of the entire conversion. Please ensure the extracted data corresponds to these reports, as the conversion will not be able to be verified if this is not the case. See Appendix C for a full listing of necessary reports.

### 7.2.2 Screenshots

Screenshots are an important piece of Tyler being able to verify the location of data, how it appears in the legacy system, and that the data is converting correctly. These should be taken and provided at the same time the data pull is done. Screenshots are needed for each section being converted as well as any different variations of the same screen. Certain processes and field selections can drive variations in screen designs. We recommend a variety of examples ranging from your most complex cases that utilize every aspect of your legacy system to common cases. Showing every screen that is available for complex cases gives us insight into how we can convert your legacy data and accommodate your complex processes. See Appendix C for a full listing of necessary screenshots.

### 7.2.3 Duplicate Entry

Unless otherwise noted, it is assumed all data conversion elements will be converted once. While the timing of each data conversion element will be scheduled out between the Client and Tyler's Project Managers, once an element has been converted and delivered, it will not be converted again and duplicate entry between the current legacy system and Incode 10 will be required for a period of time until Incode 10 becomes the live system of record.

## Glossary

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

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

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





## City of Osseo City Council Work Session Meeting Item

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**Agenda Item:** Business Regulations Ordinance

**Meeting Date:** June 29, 2020

**Prepared by:** Riley Grams, City Administrator

**Attachments:** Example from Maple Grove

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**Background:**

Recently, Chief Mikkelson and I noticed that several cities in the Metro area have taken steps to create a business regulations ordinance that requires all businesses to comply with State and Federal laws. This seems to be a good catch all ordinance that Staff can fall back on if/when a business proposes coming to the City that may not fit in with Osseo's character due to the fact that they would not be following State and Federal Laws.

In speaking with City Attorney Tietjen, she suggests that such as ordinance belongs in the City's zoning code and when new businesses come to the City, Staff would review the business proposal against the City's zoning code, just like we always do, to ensure the proposed business fits in with Osseo's expectations. If said business proposes to conduct a business that does not meet State of Federal laws, the City would have a valid reason to deny the business.

Attached is an example of a similar ordinance passed by Maple Grove. If the Council wants to move forward with something similar, the ordinance will require Planning Commission review and a public hearing since it would be placed in the City's zoning code.

**Recommendation/Action Requested:**

Staff recommends the City Council discuss the item and direct Staff accordingly.

**Next Step:**

If the Council wants to proceed with a similar ordinance, Staff will prepare a draft ordinance for Planning Commission review (and public hearing) and eventual Council adoption.

## REQUEST FOR COUNCIL ACTION

**MONDAY, MARCH 2, 2015**

**DATE**

**AGENDA ITEM**

**ORIGINATING DEPT.**

**AGENDA ITEM**

**CITY ADMINISTRATOR  
APPROVAL**

Community Development



**Compliance With Federal Law  
Zoning Ordinance Text Amendment  
Ordinance No. 15-05**

### PREVIOUS ACTIONS:

At their meeting of Monday, February 23, 2015, the Planning Commission recommended that the City Council adopt the attached Ordinance No. 15-05 approving the Zoning Ordinance Text Amendment for the purpose of amending Section 36-1(f) of the Maple Grove City Code regarding Compliance with Federal Law.

Application Received:	January 30, 2015
60 Day Review Deadline:	March 31, 2015

### RECOMMENDED COUNCIL ACTION:

**Motion** to adopt Ordinance No. 15-05 approving the Zoning Ordinance Text Amendment for the purpose of amending Section 36-1(f) of the Maple Grove City Code regarding Compliance with Federal Law.

(Simple majority vote for passage)

### COMMENTS:

Attached is a proposed ordinance amending Maple Grove City Code requiring that all uses within the City comply not only with the City's Code but also with County, State and Federal Law. The current ordinance does not contain such language. This amendment will clarify and make such a prohibition an express as part of the Code.

Authored by: Dick Edwards

## Chapter 36 - ZONING ARTICLE II. - ADMINISTRATION

- **ARTICLE I. - IN GENERAL**

[SHARE LINK TO SECTION PRINT SECTION DOWNLOAD \(DOCX\) OF SECTIONS EMAIL SECTION](#)

- **Sec. 36-1. - General provisions.**

[SHARE LINK TO SECTION PRINT SECTION DOWNLOAD \(DOCX\) OF SECTIONS EMAIL SECTION](#)

(a)

*Title.* This chapter shall be known as the "Maple Grove Zoning Ordinance."

(b)

*Intent and purpose.* The intent of this chapter is to protect the public health, safety and general welfare of the community and its people through the establishment of minimum regulations governing development and use. This chapter shall divide the city into use districts and establish regulations in regard to location, erection, construction, reconstruction, alteration and use of structures and land. Such regulations are established to protect such use areas; to promote orderly development and redevelopment; to provide adequate light, air and convenience of access to property; to prevent congestion in the public right-of-way; to prevent overcrowding of land and undue concentration of structures in regulating land, building, yards and density of population; to provide for compatibility of different land uses; to provide for administration of this chapter; to provide for amendments; to prescribe penalties for violation of such regulations; and to define powers and duties of the city staff, the board of adjustment and appeals, the planning commission, and the city council in relation to this chapter.

(c)

*Relation to comprehensive municipal plan.* It is the policy of the city that the enforcement, amendment, and administration of this chapter be accomplished with due consideration of the recommendations contained in the comprehensive municipal plan as developed and amended from time to time by the planning commission and city council. The council recognizes the comprehensive municipal plan as the policy for responsibility to regulate land use and development in accordance with the policies and purpose set forth in this chapter.

(d)

*Conflicting regulations.* Where the conditions imposed by any provision of this chapter are either more or less restrictive than comparable conditions imposed elsewhere in this chapter or by other ordinance, rule or regulation of the city, the provision, ordinance, rule or regulation which imposes the more restrictive condition, standard, or requirement shall prevail.

(e)

*Interpretation.* In their interpretation and application, the provisions of this chapter shall be held to be the minimum requirements for the promotion of the public health, safety and welfare. Any question of the interpretation or application of any provision of this chapter shall initially be resolved by the zoning

administrator, whose decision may be appealed pursuant to the provisions of article II, division 5 of this chapter.

(f)

***Compliance.* No structure shall be erected, converted, enlarged, reconstructed or altered and no building, structure or land, in whole or in part, shall be used for any purpose or in any manner which is not in conformity with the provisions of this chapter or county, state or federal law.**

(g)

*Unlawful use or occupancy.* Except as provided in this chapter, no building, structure or premises that does not conform to the requirements of this chapter shall hereafter be used or occupied and no building permit shall be granted.

(h)

*Uses not specifically provided for.* Except as otherwise specifically provided for in this chapter, the following shall apply to a use not provided for within a zoning district:

(1)

Whenever in any zoning district a use is neither specifically permitted nor denied, the use shall be considered prohibited.

(2)

The city council or the planning commission, on their own initiative or upon request, may utilize city staff to conduct a study to determine if a particular use not addressed in this chapter is acceptable, and, if acceptable, what zoning district would be most appropriate for such a use and the appropriate conditions and standards relating to development of such a use.

(3)

The city council, planning commission or affected property owner, upon receipt of the staff's study, may, if appropriate, initiate an amendment to this chapter to provide for the particular use under consideration. A decision by the planning commission or city council that the proposed use is not compatible for development within the city shall be accompanied by findings in support of such decision.

(i)

*Statutory authority.* This chapter is enacted pursuant to the authority granted by the Municipal Planning Act, Minn. Stats. §§ 462.351—462.364.

(Code 1984, § 375:00; Ord. No. 15-05, § 1, 3-2-2015)



## City of Osseo City Council Work Session Meeting Item

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<b>Agenda Item:</b>	<b>Tobacco Sales Ordinance Update</b>
<b>Meeting Date:</b>	June 29, 2020
<b>Prepared by:</b>	Riley Grams, City Administrator
<b>Attachments:</b>	Current Tobacco Ordinance (Section 112)

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### Background:

The City Council held an initial work session meeting to discuss updating the City's tobacco ordinance on [April 22, 2019](#). The Council then recently approved updates to the City's tobacco ordinance at their [May 28, 2019](#) Council meeting. Since that time, the State and Federal Legislature has made several updates to the tobacco sales law that directly affected municipalities and their tobacco ordinances. I asked City Attorney Tietjen to review the City's tobacco ordinance and recommend changes based on the updated State and Federal Laws. Those changes include:

- City Code, Section 112.01 ("Purpose and Intent") — amend to reflect raising the purchasing age to 21
- City Code, Section 112.02 ("Definitions") — Changes to definitions of "tobacco" or "tobacco-related products," "tobacco-related devices," and "electronic delivery devices"
- City Code, Section 112.05 ("Prohibitions") — amend to reflect prohibition on sale to persons under the age of 21
- City Code, Section 112.09 ("Compliance Checks and Inspections") — amend to reflect new age range for compliance checks
- City Code, Section 112.10 ("Other Illegal Acts; Minors") — amend throughout to reflect raising the purchasing age to 21 and prohibition on sale to persons under the age of 21; amend to prohibit any tobacco products in public schools (Note: changes made by new legislation at Minn. Stat. 144.4165); consider other changes related to possession provision
- City Code, Section 112.99 ("Violations and Penalty") — amend to reflect raising the purchasing age to 21; consider other changes related to penalties for persons under the age of 21 that violate various provisions
- Other — add new sections related to age verification and signage required for licensees (Note: new sections containing such language added by new legislation at Minn. Stat. 461.12)

Provided the Council is ok with these proposed changes, City Staff will work to update the City's tobacco ordinance and bring it back for formal approval by the City Council at a future set of meetings.

### Recommendation/Action Requested:

Staff recommends the City Council discuss the item and direct Staff accordingly.

### Next Step:

Any recommended changes to the tobacco ordinance will be made and Staff will prepare the ordinance for Council approval.

## CHAPTER 112: TOBACCO REGULATIONS

### § 112.01 PURPOSE AND INTENT.

Because the city recognizes that many persons under the age of 18 years purchase or otherwise obtain, possess, and use tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, and nicotine or lobelia delivery devices, and the sales, possession, and use are violations of both state and federal laws; and because studies, which the city hereby accepts and adopts, have shown that most smokers begin smoking before they have reached the age of 18 years and that those persons who reach the age of 18 years without having started smoking are significantly less likely to begin smoking; and because smoking has been shown to be the cause of several serious health problems which subsequently place a financial burden on all levels of government; this chapter intends to regulate the sale, possession, and use of tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, and nicotine or lobelia delivery devices for the purpose of enforcing and furthering existing laws, to protect minors against the serious effects associated with the illegal use of tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, and nicotine or lobelia delivery devices, and to further the official public policy of the state in regard to preventing young people from starting to smoke as stated in M.S. § 144.391, as amended from time to time.

(Ord. 2019-2, passed 5-28-2019)

### § 112.02 DEFINITIONS.

Except as otherwise provided or clearly implied by context, all terms shall be given their commonly accepted definitions. For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

**CIGAR.** Any roll of tobacco that is wrapped in tobacco leaf or in any substance containing tobacco, with or without a tip or mouthpiece, that is not a cigarette as defined in M.S. § 297F.01, Subd. 3, as amended from time to time.

**CITY.** The City of Osseo, or its officers, agents, and employees.

**COMPLIANCE CHECKS.** The system the city uses to investigate and ensure that those authorized to sell tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, and nicotine or lobelia delivery devices are following and complying with the requirements of this chapter. **COMPLIANCE CHECKS** shall involve the use of minors as authorized by this chapter. **COMPLIANCE CHECKS** shall also mean the use of minors who attempt to purchase tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices for educational, research, and training purposes as authorized by state and federal laws. **COMPLIANCE CHECKS** may also be conducted by other units of government for the purpose of enforcing appropriate federal, state, or local laws and regulations relating to tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, and nicotine or lobelia delivery devices.

**ELECTRONIC DELIVERY DEVICES** and **ELECTRONIC CIGARETTES.** Any product containing or delivering nicotine, lobelia, or any other substance intended for human consumption that can be used by a person to simulate smoking in the delivery of nicotine or any other substance through inhalation of vapor from the product. **ELECTRONIC DELIVERY DEVICE** includes any component part of a product, whether or not marketed or sold separately. **ELECTRONIC DELIVERY DEVICE** does not include any product that has been approved or certified by the United States Food and Drug Administration for sale as a tobacco-cessation product, as a tobacco-dependence product, or for other medical purposes, and is marketed and sold for such an approved purpose.

**HOOKAH.** A pipe with a long, flexible tube by which the smoke is drawn through a jar of water and thus cooled for the use of tobacco or tobacco related products.

**INDIVIDUALLY-PACKAGED.** The practice of selling any tobacco or tobacco product wrapped individually for sale. Individually-wrapped tobacco and tobacco products shall include but not be limited to single cigarette packs, single bags or cans of loose tobacco in any form, and single cans or other packaging of snuff or chewing tobacco. Cartons or other packaging containing more than a single pack or other container as described in this definition shall not be considered **INDIVIDUALLY-PACKAGED**.

**INDOOR AREA.** All space between a floor and a ceiling that is bounded by walls, doorways, or windows, whether open or closed, covering more than 50% of the combined surface area of the vertical planes constituting the perimeter of the area. A wall includes any retractable divider, garage door, or other physical barrier, whether temporary or permanent.

**LOOSIES.** The common term used to refer to a single or individually-packaged cigarette or any other tobacco product that has been removed from its packaging and sold individually. The term **LOOSIES** does not include individual cigars with a retail price, before any sales taxes, of more than \$2 per cigar.

**MINOR.** Any natural person who has not yet reached the age of 18 years.

**MOVEABLE PLACE OF BUSINESS.** Any form of business operated out of a truck, van, automobile, kiosk, trailer, or other type of vehicle or transportable shelter and not a fixed address storefront or other permanent type of structure authorized for sales transactions.

**NICOTINE or LOBELIA DELIVERY DEVICES.** Any product containing or delivering nicotine or lobelia intended for human consumption, or any part of such a product, that is not tobacco as defined in this section, not including any product that has been approved or otherwise certified for legal sale by the United States Food and Drug Administration for tobacco use cessation, harm reduction, or for other medical purposes, and is being marketed and sold solely for that approved purpose.

**PUBLIC PLACE.** Any enclosed, indoor area used by the general public, including, but not limited to, restaurants, bars, any other food or liquor establishment, retail and other commercial establishments, educational facilities, hospitals, nursing homes, auditoriums, arenas, meeting rooms, waiting rooms, and common areas of rental apartment buildings.

**RETAIL ESTABLISHMENT.** Any place of business where tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices are available for sale to the general public. The phrase shall include but not be limited to grocery stores, convenience stores, restaurants, and drug stores.

**SALE.** Any transfer of goods for money, trade, barter, or other consideration.

**SAMPLING.** The lighting of tobacco, tobacco products, tobacco-related devices, or the activation of and inhaling of vapor from electronic cigarettes in a retail establishment by a customer or potential customer for the purpose of sampling the product or device before a purchase.

**SELF-SERVICE MERCHANDISING.** Open displays of tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices in any manner where any person shall have access to the tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices, without the assistance or intervention of the licensee or the licensee's employee. The assistance or intervention shall entail the actual physical exchange of the tobacco, tobacco product, tobacco-related device, or nicotine or lobelia delivery device between the customer and the licensee or employee. Self-service sales are interpreted as being any sale where there is not an actual physical exchange of the product between the clerk and the customer.

**SMOKING.** Inhaling or exhaling smoke from any lighted or heated cigar, cigarette, pipe, hookah, or any other lighted or heated tobacco or plant product or exhaling vapor from any electronic delivery device, such as vaping. Smoking also includes carrying a lighted or heated cigar, cigarette, pipe, hookah, or any other lighted or heated tobacco or plant product intended for inhalation.

**SMOKING LOUNGE.** A tobacco products shop which allows customers to be seated.

**TOBACCO or TOBACCO-RELATED PRODUCTS.** Includes cigarettes and any product containing, made, or derived from tobacco that is intended for human consumption, whether chewed, smoked, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including by vaping, or any component, part, or accessory of a tobacco product, cigars, pipe tobacco, cheroots, stogies, perique, granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco, snuff, snuff flour, cavendish, plug and twist tobacco, fine cut and other chewing tobaccos, shorts, refuse scraps, clippings, cuttings, and sweepings of tobacco, dipping tobaccos, and other kinds and forms of tobacco. **TOBACCO** excludes any tobacco product that has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product, as a tobacco dependence product, or for other medical purposes, and is being marketed and sold solely for such an approved purpose.

**TOBACCO PRODUCTS SHOP.** A retail establishment with an entrance door opening directly to the outside that derives more than 90% of its gross revenue from the sale of tobacco, tobacco-related products, tobacco-related devices, and in which the sale of other products is merely



incidental. **TOBACCO PRODUCTS SHOP** does not include a tobacco products department or section of any individual business establishment with any type of food, liquor, or restaurant license.

**TOBACCO-RELATED DEVICES.** Includes any tobacco product as well as a pipe, rolling papers, ashtray, or other device intentionally designed or intended to be used in a manner which enables the chewing, sniffing, smoking, or vaping of tobacco or tobacco products.

**VAPOR LOUNGE.** A vapor products shop which allows customers to be seated.

**VAPOR PRODUCTS SHOP.** A retail establishment with an entrance door opening directly to the outside that derives more than 90% of its gross revenue from the sale of electronic delivery devices, electronic cigarettes, and related products and in which the sale of other products is merely incidental. **VAPOR PRODUCTS SHOP** does not include a vapor products department or section of any individual business establishment with any type of food, liquor, or restaurant license.

**VENDING MACHINE.** Any mechanical, electric or electronic, or other type of device which dispenses tobacco, tobacco products, or tobacco-related devices upon the insertion of money, tokens, or other form of payment directly into the machine by the person seeking to purchase the tobacco, tobacco product, or tobacco-related device.

(Ord. 2019-2, passed 5-28-2019)

### § 112.03 LICENSE.

(A) *License required.* No person shall sell or offer to sell any tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices without first having obtained a license to do so from the city. All licenses issued under this chapter shall be valid only on the premises for which the license was issued and only for the person to whom the license was issued. No transfer of any license to another location or person shall be valid.

(B) *Application.* An application for a license to sell tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices shall be made on a form provided by the city. The application shall contain the full name of the applicant, the applicant's residential and business addresses and telephone numbers, the name of the business for which the license is sought, and any additional information the city deems necessary. Upon receipt of a completed application, the City Clerk shall forward the application to the Police Department. The Police Department will conduct an investigation and report the results to the City Clerk. Background investigations will be conducted only for applications submitted after the effective date of this chapter and for applications relating to a change in ownership of the licensed premises. The City Clerk will then forward the application to the City Council for action at its next regularly scheduled City Council meeting. If the City Clerk determines an application incomplete, he or she shall return the application to the applicant with notice of the information necessary to make the application complete.

(C) *Action.* The City Council may either approve or deny the license, or it may delay action for a reasonable period of time as necessary to complete any investigation of the application or the applicant it deems necessary. If the City Council approves the license, the City Clerk shall issue the license to the applicant. If the City Council denies the license, notice of the denial shall be given to the applicant along with notice of the applicant's right to appeal the City Council's decision.

(D) *Term.* All licenses issued under this chapter shall be valid from July 1 to June 30.

(E) *Revocation or suspension.* Any license issued under this chapter may be revoked or suspended, subject to the process for violations in § [112.99](#).

(F) *Transfers.* All licenses issued under this chapter shall be valid only on the premises for which the license was issued and only for the person to whom the license was issued. No transfer of any license to another location or person shall be valid without the prior approval of the City Council.

(G) *Moveable place of business.* No license shall be issued to a moveable place of business. Only fixed location businesses shall be eligible for licensing under this chapter.

(H) *Display.* All licenses shall be posted and displayed in plain view of the general public on the licensed premise.

(I) *Renewals.* The renewal of a license issued under this chapter shall be handled in the same manner as the original application. The request for a renewal shall be made at least 30 days but not more than 60 days before the expiration of the current license.

(J) *Issuance as privilege and not a right.* The issuance of a license issued under this chapter represents a privilege and not an absolute right of the applicant and does not entitle the holder to an automatic renewal of the license.



(Ord. 2019-2, passed 5-28-2019)

#### **§ 112.04 FEES.**

(A) No license shall be issued under this chapter until the appropriate license and investigation fees are paid in full. The license and investigation fees under this chapter shall be established in the city's fee resolution. The fee for licenses granted after the commencement of the license term shall be prorated on a monthly basis. A refund pro rata share of an annual license fee may be refunded to the licensee or to the licensee's estate if:

- (1) The business ceases to operate because of destruction or damage;
- (2) The licensee dies;
- (3) The business ceases to be lawful for a reason other than a license revocation; or
- (4) The licensee ceases to carry on the licensed business under the license.

(B) The refund shall be a pro rata portion of the fee for the unexpired period of the license, computed on a monthly basis.

(Ord. 2019-2, passed 5-28-2019)

#### **§ 112.05 BASIS FOR DENIAL OF LICENSE.**

(A) Grounds for denying the issuance or renewal of a license under this chapter include but are not limited to the following:

- (1) The applicant is under the age of 18 years.
- (2) The applicant has been convicted within the past five years of any violation of a federal, state, or local law, ordinance provision, or other regulation relating to tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices.
- (3) The applicant has had a license to sell tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices revoked within the preceding 12 months of the date of application.

(4) The applicant fails to provide any information required on the application, or provides false or misleading information.

(5) The applicant is prohibited by federal, state, or other local law, ordinance, or other regulation from holding a license.

(B) Except as may otherwise be provided by law, the existence of any particular ground for denial, however, does not mean that the city must deny the license.

(C) If a license is mistakenly issued or renewed to a person, it shall be revoked upon the discovery of the ineligibility of the applicant for the license under this chapter.

(Ord. 2019-2, passed 5-28-2019)

#### **§ 112.06 PROHIBITIONS.**

(A) *Prohibited sales.* It shall be a violation of this chapter for any person to sell or offer to sell any tobacco, tobacco product, tobacco-related device, electronic cigarette, electronic delivery device, or nicotine or lobelia delivery device:

- (1) To any person under the age of 18 years.
- (2) By means of any type of vending machine.
- (3) By means of self-service methods whereby the customer does not need to make a verbal or written request to an employee of the licensed premise in order to receive the tobacco, tobacco product, tobacco-related device, electronic cigarette, electronic delivery device, or nicotine or lobelia delivery device, and whereby there is not a physical exchange of the tobacco, tobacco product, tobacco-related device, electronic cigarette, electronic delivery device, nicotine or lobelia delivery device between the licensee, or the licensee's employee, and the customer.

(4) By means of loosies.

(5) Containing opium, morphine, jimson weed, bella donna, strychnos, cocaine, marijuana, or other deleterious, hallucinogenic, toxic, or controlled substances except nicotine and other substances found naturally in tobacco or added as part of an otherwise lawful manufacturing process. It is not the intention of this provision to ban the sale of lawfully manufactured cigarettes or other tobacco products.

(6) By any other means, to any other person, or in any other manner or form prohibited by federal, state, or other local law, ordinance provision, or other regulation.

(B) *Smoking prohibitions; sampling allowed.*

(1) Except as allowed in M.S. § 144.4167, smoking shall be prohibited and no person shall smoke in public places and places of work.

(2) To ensure that tobacco smoke or vapor electronic delivery devices does not enter public places and places of work and that persons entering such places are not exposed involuntarily to smoke or vapor, smoking and the use of electronic delivery devices are prohibited within 25 feet of entrances, exits, open windows, and ventilation intakes of public places and places of work. This prohibition does not apply to entrances and exits used solely in the event of an emergency and appropriately signed for that purpose.

(3) Pursuant to M.S. § 144.4167, Subd. 4, tobacco sampling, including sampling of electronic delivery devices and products used in electronic delivery devices, is allowed in a tobacco products shop.

(C) *Lounges*. Smoking lounges, hookah lounges, and vapor lounges are prohibited.  
(Ord. 2019-2, passed 5-28-2019)

### **§ 112.07 SELF-SERVICE SALES.**

It shall be unlawful for a licensee under this chapter to allow the sale of tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices by any means whereby the customer may have access to those items without having to request the item from the licensee or the licensee's employee and whereby there is not a physical exchange of the tobacco, tobacco product, tobacco-related device, or nicotine or lobelia delivery device between the licensee or his or her clerk and the customer. All tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, and nicotine or lobelia delivery devices shall either be stored behind a counter or other area not freely accessible to customers, or in a case or other storage unit not left open and accessible to the general public. Any retailer selling tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices at the time this chapter is adopted shall comply with this section within 90 days following the effective date of this chapter. A license holder who operates an establishment or fully enclosed portion of an establishment that sells at least 90% of its products in tobacco, or tobacco products, tobacco-related devices, electronic delivery devices, or electronic cigarettes, is exempt from the self-service merchandising provision if the license holder prohibits anyone under 18 years of age from entering the establishment or fully enclosed portion of an establishment and the license holder conspicuously displays a notice prohibiting persons under 18 years of age from entering the establishment.  
(Ord. 2019-2, passed 5-28-2019)

### **§ 112.08 LICENSEE RESPONSIBILITY.**

All licensees under this chapter shall be responsible for the actions of their employees in regard to the sale of tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices on the licensed premises, and the sale of an item by an employee shall be considered a sale by the license holder. Nothing in this section shall be construed as prohibiting the city from also subjecting the clerk to whatever penalties are appropriate under this chapter, state, or federal law, or other applicable law or regulation.  
(Ord. 2019-2, passed 5-28-2019)

### **§ 112.09 COMPLIANCE CHECKS AND INSPECTIONS.**

All licensed premises shall be open to inspection by the city police or other authorized city official during regular business hours. From time to time, but at least once per year, the city shall conduct compliance checks by engaging, with the written consent of the appropriate parents or guardians, minors over the age of 15 years but less than 18 years, to enter the licensed premise to attempt to purchase tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices. Minors used for the purpose of compliance checks shall be supervised by city designated law enforcement officers or other designated city personnel. Minors used for compliance checks shall not be guilty of unlawful possession of tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices when obtaining those items as a part of the compliance check. No minor used in compliance checks shall attempt to use a false identification misrepresenting the minor's age, and all minors lawfully engaged in a compliance check shall answer all questions about the minor's age asked by the licensee or his or her employee and

shall produce any identification, if any exists, for which he or she is asked. Nothing in this chapter shall prohibit compliance checks authorized by state or federal laws for educational, research, or training purposes, or required for the enforcement of a particular state or federal law.  
(Ord. 2019-2, passed 5-28-2019)

#### **§ 112.10 OTHER ILLEGAL ACTS; MINORS.**

Unless otherwise provided, the following acts shall be a violation of this chapter.

(A) *Illegal sales.* It shall be a violation of this chapter for any person to sell or otherwise provide any tobacco, tobacco product, tobacco-related device, electronic cigarettes, electronic delivery device, or nicotine or lobelia delivery device to any minor.

(B) *Illegal possession.* It shall be a violation of this chapter for any minor to have in his or her possession any tobacco, tobacco product, tobacco-related device, electronic cigarettes, electronic delivery device, or nicotine or lobelia delivery device. This division shall not apply to minors lawfully involved in a compliance check.

(C) *Illegal use.* It shall be a violation of this chapter for any minor to smoke, chew, sniff, or otherwise use any tobacco, tobacco product, tobacco-related device, electronic cigarettes, electronic delivery device, or nicotine or lobelia delivery device.

(D) *Illegal procurement.* It shall be a violation of this chapter for any minor to purchase or attempt to purchase or otherwise obtain any tobacco, tobacco product, tobacco-related device, electronic cigarettes, electronic delivery device, or nicotine or lobelia delivery device, and it shall be a violation of this chapter for any person to purchase or otherwise obtain those items on behalf of a minor. It shall further be a violation for any person to coerce or attempt to coerce a minor to illegally purchase or otherwise obtain or use any tobacco, tobacco product, tobacco-related device, or nicotine or lobelia delivery device. This division shall not apply to minors lawfully involved in a compliance check.

(E) *Use of false identification.* It shall be a violation of this chapter for any minor to attempt to disguise his or her true age by the use of a false form of identification, whether the identification is that of another person or one on which the age of the person has been modified or tampered with to represent an age older than the actual age of the person.

(F) *Tobacco and tobacco-related devices on school grounds.* It shall be a violation of this chapter for any person to have in his or her possession any tobacco, tobacco product, or tobacco-related devices while on the grounds of any school. However, it is not a violation of this section for a person more than 18 years of age to have contained in his or her vehicle tobacco, tobacco products, or tobacco-related devices not otherwise prohibited while lawfully on school grounds.

(Ord. 2019-2, passed 5-28-2019)

#### **§ 112.11 EXCEPTIONS AND DEFENSES.**

Nothing in this chapter shall prevent the providing of tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices to a minor as part of a lawfully recognized religious, spiritual, or cultural ceremony. It shall be an affirmative defense to the violation of this chapter for a person to have reasonably relied on proof of age as described by state law.

(Ord. 2019-2, passed 5-28-2019)

#### **§ 112.99 VIOLATIONS AND PENALTY.**

(A) *Misdemeanor prosecution.* Nothing in this chapter shall prohibit the city from seeking prosecution as a misdemeanor for any alleged violation of this chapter.

(B) *Violations.*

(1) *Notice.* A person violating this chapter may be issued, either personally or by mail, a citation that sets forth the alleged violation and that informs the alleged violator of his or her right to a hearing on the matter. No revocation, suspension, or penalty may take effect until the licensee has received the notice. The citation shall provide notice that a hearing must be requested within ten business days of receipt and that hearing rights shall be terminated if a hearing is not promptly requested. The citation shall provide information on how and where a hearing may be requested, including a contact address and phone number.

(2) *Hearings.*

(a) Upon issuance of a citation, a person accused of violating this chapter may request in writing a hearing on the matter. Hearing requests must be made within ten business days of the issuance of the citation and delivered to the City Clerk or other designated city officer. Failure to request a hearing within ten business days of the issuance of the citation will terminate the person's right to a hearing.

(b) The City Clerk or other designated city officer shall set the time and place for the hearing. Written notice of the hearing time and place shall be mailed or delivered to the accused violator at least ten business days prior to the hearing.

(3) *Hearing Officer.* The city official designated by the City Council shall serve as the Hearing Officer. The Hearing Officer must be an impartial employee of the city or an impartial person retained by the city to conduct the hearing.

(4) *Decision.*

(a) A decision shall be issued by the Hearing Officer within ten business days. If the Hearing Officer determines that a violation of this chapter did occur, that decision, along with the Hearing Officer's reasons for finding a violation and the penalty to be imposed under division (B) of this section, shall be recorded in writing, a copy of which shall be provided to the city and the accused violator by in-person delivery or mail as soon as practicable. Likewise, if the Hearing Officer finds that no violation occurred or finds grounds for not imposing any penalty, those findings shall be recorded and a copy provided to the city and the acquitted accused violator by in-person delivery or mail as soon as practicable.

(b) If the citation is upheld by the Hearing Officer, the city's actual expenses in holding the hearing, up to a maximum of \$1,000, shall be paid by the person requesting the hearing.

(c) The decision of the Hearing Officer is final.

(5) *Appeals.* Appeals of any decision made by the Hearing Officer must be filed in the District Court for the city in which the alleged violation occurred within ten business days.

(6) *Continued violation.* Each violation, and every day in which a violation occurs or continues, shall constitute a separate offense.

(C) *Administrative penalties.*

(1) *Licensees.* Any licensee found to have violated this chapter, or whose employee shall have violated this chapter, shall be charged an administrative fine of \$500 for a first violation of this chapter; \$750 for a second offense at the same licensed premises within a 24-month period; and \$1,000 for a third or subsequent offense at the same location within a 24-month period. In addition, after the third offense, the license shall be suspended for not less than seven consecutive days.

(2) *Other individuals.* Other individuals, other than minors regulated by division (C)(3) of this section, found to be in violation of this chapter shall be charged an administrative fine of \$50.

(3) *Minors.* Minors found in unlawful possession of or who unlawfully purchase or attempt to purchase tobacco, tobacco products, tobacco-related devices, electronic cigarettes, electronic delivery devices, or nicotine or lobelia delivery devices, shall be subject to an administrative fine, or may be subject to tobacco-related education classes, diversion programs, community services, or another penalty that the city believes will be appropriate and effective. The administrative fine or other penalty shall be established by the City Council in its fee resolution.

(4) *Statutory penalties.* If the administrative penalties authorized to be imposed by M.S. § [461.12](#), as it may be amended from time to time, differ from those established in this chapter, then the statutory penalties shall prevail.

(Ord. 2019-2, passed 5-28-2019)