

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JULY 16, 2013**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, July 16, 2013, commencing at 7:00 a.m.

Present: Council Member Hansen, Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Katzakian, and Mayor Nakanishi

Absent: None

Also Present: Deputy City Manager Ayers, City Attorney Schwabauer, and City Clerk Johl-Olson

B. Topic(s)

B-1 Receive Report on Replacement Financial and Utility Billing System Software (CM)

Deputy City Manager / Finance Director Jordan Ayers provided a PowerPoint presentation regarding the City's financial system replacement. Specific topics of discussion included the current status of project, activities to date, recommended solution, Tyler Technologies, Inc. information, project time line, financials, payroll, work orders/revenue, utility billing, Software as a Service (SaaS), implementation, payments, and next steps.

In response to Council Member Hansen, Mr. Ayers stated the IBM 400 system dates back to the early 1990s.

In response to Council Member Johnson, Mr. Ayers stated two vendors dropped out due to concerns about competitiveness with another vendor and the City's need for specific content. Mr. Ayers stated two vendors remained for review and selection.

In response to Mayor Nakanishi, Mr. Ayers stated Tyler Technologies has 1,400 customers throughout California including 45 cities.

In response to Council Member Mounce, Mr. Ayers stated he spoke with Tyler Technologies' references directly at various agencies.

Council Member Mounce and Council Member Johnson expressed concern regarding approving an incomplete agreement while negotiations are still pending and recommended pulling the item from tomorrow's agenda for additional time to consider the item.

Council Member Mounce requested information regarding the references supplied by Tyler Technologies, including names, contact information, and comments provided by reference sources so that she could conduct additional research prior to project approval. The City Council also asked for additional information including the following: (1) hosted versus non-hosted options, feasibility, and costs; (2) back-up system management ability and recovery options; (3) response time and 24/7 availability for system inquiries; (4) information regarding Tyler Technology clients who are similar in size to the City of Lodi; (5) information regarding the existence of IT staff in other cities of similar size including the number of personnel and capabilities; (6) the ability to handle the proposed project in-house with the existing IT staff; and (7) the ability to have Tyler liable for the entire amount of an error versus a flat 5% of the quarter in the event that the error is of a larger nature.

In response to Council Member Johnson, Mr. Ayers stated during his research and reference check efforts, he discovered both client complaints and compliments for Tyler Technologies. Mr. Ayers stated as is typical with industry vendors, more complaints are lodged electronically than compliments.

In response to Council Member Hansen, Mr. Ayers stated with respect to security and system hacking, he did review an audit report for Tyler Technologies, which had nominal findings including the lack of conducting an exit interview for all employees upon termination. Mr. Ayers stated there were no significant findings regarding system hacking abilities.

In response to Mayor Nakanishi, Mr. Ayers stated if the system is hosted by the City, any liability for security breaches would fall upon the City. He stated if it is hosted by Tyler Technologies, system breaches would be the liability of Tyler Technologies.

In response to Council Member Johnson, Mr. Ayers stated as is industry practice with system transfers, the JDE system would continue running simultaneously while Tyler's system is implemented to ensure a successful transfer of all data.

In response to Council Member Hansen, Mr. Ayers stated the City of Ukiah is in the process of system implementation with Tyler Technologies.

In response to Council Member Mounce, Mr. Ayers stated if there is a change in business practice for the citizenry necessitated by the implementation of the new system, staff will notify the City Council promptly.

In response to Council Member Johnson, Mr. Ayers stated the existing funding covers the first phase of the project and additional funds from the General Fund and utilities will be used for additional phases.

General discussion ensued amongst the City Council regarding the process for removal of the item from tomorrow night's City Council agenda. Council Member Johnson asked that items of this type of significance be brought to the City Council at a Shirtsleeve Session at least two weeks prior to being agendized for action at a City Council meeting.

Ed Miller spoke in regard to his concerns about security and hosting, the inclusion of vehicle and fleet information, and outsourcing the service if it is in the best interest of the City to do so.

Kevin Bell, representing the Mid-Management labor group, spoke in support of the services currently provided by the IT Department and encouraged retention of the system in-house.

C. Comments by Public on Non-Agenda Items - None

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:00 a.m.

ATTEST:

Randi Johl-Olson
City Clerk