STAFF REPORT
CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Alyssa Muto, City Manager
MEETING DATE: September 3, 2025
ORIGINATING DEPT: Finance Department – Rachel Jacobs, Finance Director
SUBJECT: **Authorizing the City Manager to Execute 1st Extension on the SaaS Agreements with Tyler Technologies, Inc. for Financial and Human Resources Software Services**

BACKGROUND:

In 2020, City Council authorized the City Manager to execute a five-year Software as a Service (SaaS) agreement with Tyler Technologies for a one-time software implementation cost of $353,870 and $81,475 annually thereafter for an initial term of five years for a total of $407,375 for a maximum contract amount of $761,245. The original agreement term expired on June 30, 2025.

Per the agreement, upon expiration of the initial term, this agreement may be renewed upon mutual agreement upon the same terms (5-year) and conditions. Annual SaaS fees applicable to such renewal term shall not be more than five percent (5%) greater than the annual Saas fees payable during the initial five (5) year term.

Staff would like to continue using Tyler Technologies and is recommending we renew our agreement for another five-year term.

This item is before Council to consider Resolution 2025-096 (Attachment 1) authorizing the City Manager to execute 1st extension for an additional five-year period to the contractual agreement with Tyler Technologies, Inc. for Software as a Service (SaaS).

DISCUSSION:

The City's current financial and human resources software is Tyler Technologies. Staff would like to continue the relationship with Tyler Technologies and renew our contract for an additional five-year term.

Since the original agreement was executed back in 2020, there have been changes to the modules the City uses. Staff removed a few modules that were no longer used and added a few new modules to improve efficiency, such as Business License, Resident Access, and

COUNCIL ACTION:
_____
_____

Contract Management.

Tyler has provided a five-year fixed cost for the annual maintenance with a 5% increase in Year 1 and then fixed for the next four years, for an annual cost of $83,757 and a total 5-year maximum of $418,785.

There are adequate funds budgeted in Finance Department – Maintenance of Equipment to cover these costs for FY 2026 & FY 2027.

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA.

FISCAL IMPACT:

The City's FY 2026 and FY 2027 adopted budget has adequate funds budgeted in Finance – Maintenance of Equipment, account 1005300.65310 to cover the $83,757 annual maintenance costs. No additional appropriations are necessary.

WORK PLAN:

N/A

OPTIONS:

- Approve Staff recommendation
- Deny Staff recommendation and provide alternative direction.

CITY STAFF RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt Resolution 2025-096 authorizing the City Manager to execute a 1st extension of the Software as a Service (SaaS) Agreement with Tyler Technologies, Inc. for a cost of $83,757 annually for an additional five-year term for a maximum contract amount of $418,785.

Alyssa Muto, City Manager

Attachments

1. Resolution 2025-096
2. Tyler Technologies SaaS Renewal Quote

RESOLUTION 2025-096

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE AN EXTENTION TO THE SAAS AGREEMENT WITH TYLER TECHNOLOGIES, INC. FOR SOFTWARE SERVICES (TYLER MUNIS)

WHEREAS, in May 2020, the City Council authorized the City Manager to execute a five-year Software as a Service (SaaS) Agreement with Tyler Technologies, Inc. for Finance and Human Resource Software; and

WHEREAS, this initial term expired on June 30, 2025; and

WHEREAS, Per the agreement, upon expiration of the initial term, this agreement may be renewed upon mutual agreement upon the same terms (5-year) and conditions. Annual SaaS fees applicable to such renewal term shall not be more than five percent (5%) greater than the annual Saas fees payable during the initial five (5) year term,

WHEREAS, Staff desires to continue utilizing Tyler Technologies for its financial and human resources software program so an agreement extension is necessary.

NOW THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the foregoing recitations are true and correct.

2. That the City Council authorizes the City Manager to execute a 1st extension of the Software as a Service (SaaS) Agreement with Tyler Technologies, Inc. for a cost of $83,757 annually for an additional five-year term for a maximum contract amount of $418,785.

PASSED AND ADOPTED this 3rd day of September, 2025, at a special meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSENT: Councilmembers –
ABSTAIN: Councilmembers –

_____
LESA HEEBNER, Mayor

ATTACHMENT 1

APPROVED AS TO FORM:

_____
JOHANNA N. CANLAS, City Attorney

ATTEST:

_____
ANGELA IVEY, City Clerk

Quoted By:	Karen Grosset
Quote Expiration:	01/20/26
Quote Name:	City of Solana Beach - ERP - 25-26 SaaS Renewal
Saas Term	5.00

Sales Quotation For:
City of Solana Beach
635 HIGHWAY 101
SOLANA BEACH CA 92075

Shipping Address:
City of Solana Beach
635 S Highway 101
Solana Beach CA 92075-2297

Tyler SaaS and Related Services

Description	Qty	Imp. Hours	Annual Fee
Financial Management			
Accounting	1	0	$ 12,900.00
Accounts Payable	1	0	$ 4,098.00
Budgeting	1	0	$ 4,098.00
Cash Management	1	0	$ 2,261.00
Contract Management	1	0	$ 1,343.00
Project & Grant Accounting	1	0	$ 2,701.00
Purchasing	1	0	$ 5,775.00
Human Resources Management			
Human Resources & Talent Management	1	0	$ 4,805.00
Payroll w/ESS	1	0	$ 5,843.00
Time & Attendance - Up to 150 Employees	1	0	$ 10,368.00
Time & Attendance Import	1	0	$ 3,715.00
Revenue Management			
Accounts Receivable	1	0	$ 3,017.00
Business Licenses	1	0	$ 3,125.00

ATTACHMENT 2

General Billing	1	0	$ 2,099.00
Resident Access	1	0	$ 4,190.00
Content Management			
Content Manager Core	1	0	$ 6,519.00
Data Insights			
Enterprise Analytics and Reporting	1	0	$ 2,716.00
Additional			
Enterprise Forms Processing (including Common Form Set)	1	0	$ 4,184.00
TOTAL		**0**	**$ 83,757.00**

Summary	**One Time Fees**	**Recurring Fees**
Total Tyler License Fees	$ 0.00	$ 0.00
Total SaaS	$ 0.00	$ 83,757.00
Total Tyler Services	$ 0.00	$ 0.00
Total Third-Party Hardware, Software, Services	$ 0.00	$ 0.00
Summary Total	**$ 0.00**	**$ 83,757.00**
Contract Total	**$ 418,785.00**	

Client's purchase of the items listed above is subject to the Comments below
Unless otherwise indicated in the contract or amendment thereto, pricing for optional items will be held
For six (6) months from the Quote date or the Effective Date of the Contract, whichever is later.

Customer Approval: _____ Date: _____

Print Name: _____ P.O.#: _____

All Primary values quoted in US Dollars

Comments

Client agrees that items in this sales quotation are, upon Client's signature or approval of same, hereby added to the existing agreement ("Agreement") between the parties and subject to its terms. Additionally, payment for said items, as applicable but subject to any listed assumptions herein, shall conform to the following terms:

- License fees for Tyler and third party software are invoiced upon the earlier of (i) deliver of the license key or (ii) when Tyler makes such software available for download by the Client;
- Fees for hardware are invoiced upon delivery;
- Fees for year one of hardware maintenance are invoiced upon delivery of the hardware;
- Annual Maintenance and Support fees, SaaS fees, Hosting fees, and Subscription fees are first payable when Tyler makes the software available for download by the Client (for Maintenance) or on the first day of the month following the date this quotation was signed (for SaaS, Hosting, and Subscription), and any such fees are prorated to align with the applicable term under the Agreement, with renewals invoiced annually thereafter in accord with the Agreement.
- Fees for services included in this sales quotation shall be invoiced as indicated below.
    - Implementation and other professional services fees shall be invoiced as delivered.
    - Fixed-fee Business Process Consulting services shall be invoiced 50% upon delivery of the Best Practice Recommendations, by module, and 50% upon delivery of custom desktop procedures, by module.
    - Fixed-fee conversions are invoiced 50% upon initial delivery of the converted data, by conversion module, and 50% upon Client acceptance to load the converted data into Live/Production environment, by conversion module.
    - Except as otherwise provided, other fixed price services are invoiced upon complete delivery of the service. For the avoidance of doubt, where "Project Planning Services" are provided, payment shall be invoiced upon delivery of the Implementation Planning document. Dedicated Project Management services, if any, will be invoiced monthly in arrears, beginning on the first day of the month immediately following initiation of project planning.
    - If Client has purchased any change management services, those services will be invoiced in accordance with the Agreement.
    - Notwithstanding anything to the contrary stated above, the following payment terms shall apply to services fees specifically for migrations: Tyler will invoice Client 50% of any Migration Fees listed above upon Client approval of the product suite migration schedule. The remaining 50%, by line item, will be billed upon the go-live of the applicable product suite. Tyler will invoice Client for any

Project Management Fees listed above upon the go-live of the first product suite. Unless otherwise indicated on this Sales quotation, annual services will be invoiced in advance, for annual terms commencing on the date this sales quotation is signed by the Client. If listed annual service(s) is an addition to the same service presently existing under the Agreement, the first term of the added annual service will be prorated to expire coterminous with the existing annual term for the service, with renewals to occur as indicated in the Agreement.

- Expenses associated with onsite services are invoiced as incurred.

Tyler's quote contains estimates of the amount of services needed, based on our preliminary understanding of the scope, level of engagement, and timeline as defined in the Statement of Work (SOW) for your project. The actual amount of services required may vary, based on these factors.

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

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

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

In the event Client cancels services less than four (4) weeks in advance, Client is liable to Tyler for (i) all non-refundable expenses incurred by Tyler on Client's behalf; and (ii) daily fees associated with the cancelled services if Tyler is unable to re-assign its personnel.

The Implementation Hours included in this quote assume a work split effort of 70% Client and 30% Tyler.

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

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

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

Business license library includes: standard business license and standard renewal application.

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

purchase or upgrade to Content Manager Enterprise Edition.

Tyler's form library prices are based on the actual form quantities listed, and assume the forms will be provided according to the standard Enterprise ERP form template. Any forms in addition to the quoted amounts and types, including custom forms or forms that otherwise require custom programming, are subject to an additional fee. Please also note that use of the Tyler Forms functionality requires the use of approved printers as well. You may contact Tyler's support team for the most current list of approved printers. Any forms included in this quote are based on the standard form templates provided. Custom forms, additional forms and any custom programming are subject to additional fees not included in this quote. The additional fees would be quoted at the time of request, generally during the implementation of the forms. Please note that the form solution provided requires the use of approved printers. You may contact Tyler's support team for the most current list of approved printers.

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

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

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

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