



CITY OF CLEAR LAKE

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Phone (641) 357-5267 • Fax (641) 357-8711
www.cityofclearlake.com

Mayor
NELSON P.
CRABB

December 16, 2011

City
Administrator
SCOTT
FLORY

HONORABLE MAYOR & CITY COUNCIL MEMBERS:

COUNCIL
MEMBERS

A workshop meeting of the Clear Lake City Council is scheduled for Monday, **December 19, 2011**, at 6:00 p.m., in the Council Chambers at City Hall. Please refer to the enclosed agenda for the items discussed below.

SHANE W.
COONEY
Ward 1

ITEM #3. **Purchase of financial, accounting, & utility billing software (including conversion & training)**. Enclosed in your packet are materials from Civic Systems regarding a cost quote proposal to upgrade the City's accounting, financial, and utility billing software. It should be noted that cemetery software is also being included at no additional charge.

TONY J.
NELSON
Ward 2

BEN
FURLEIGH
Ward 3

The City of Mason City has just recently finished a very similar upgrade with Civic Systems and has reported a very positive experience. Additionally, the Finance Officer has checked with other cities in Iowa who also retained Civic Systems, including communities that have converted from the software the City of Clear Lake currently utilizes. All have given very positive reports regarding their experience.

MIKE
CALLANAN
At Large

TERRY
UNSWORTH
At Large

The City invited proposals from two separate companies – Data Tech and Civic Systems. Both companies came to Clear Lake and presented their software to the City staff who work with the software. The proposal included the cost for the new software, conversion, upfront training, and associated maintenance fees.

Quotes were received from both companies. Although Civic Systems is the higher cost proposal, it has features that the Data Tech proposal lacked, including greater security features and a more extensive conversion process that will reduce staff time, and is geared towards cities of Clear Lake's size and larger.



The cost from Data Tech is \$49,595, with annual support fees of \$6,320. The cost proposal from Civic Systems is \$64,025 and \$7,805 for annual support.

The City is currently using a financial and accounting software package from the mid-1990's. The utility software is in excess of 30 years old. Both are very limited and burdensome in terms of staff time.

The project would be funded equally by the various utility funds, etc. It is anticipated that a successful conversion will take approximately 12 weeks.

Sincerely,

Scott Flory
City Administrator of Clear Lake

**CITY OF CLEAR LAKE
CITY COUNCIL WORKSHOP AGENDA
MONDAY, DECEMBER 19, 2011
CITY HALL - COUNCIL CHAMBERS
6:00 P.M.**

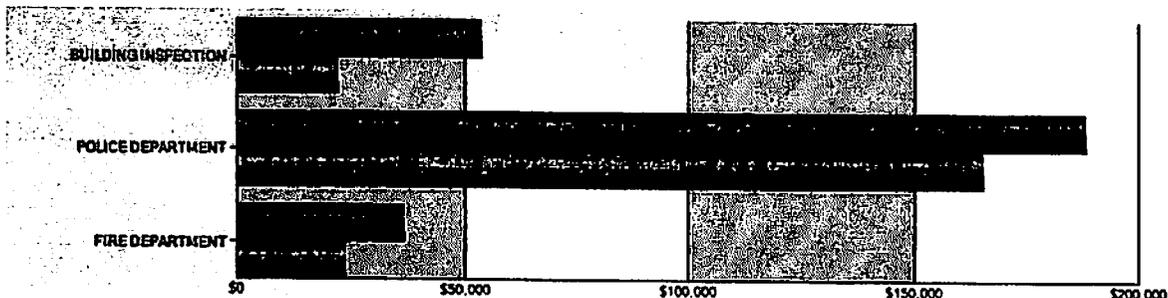
1. Call to Order by Mayor Nelson P. Crabb.
2. Approval of the Agenda.
3. Purchase of financial, accounting, & utility software (including conversion & training):
 - Introduction by Scott Flory, City Administrator.
 - Review of proposal, Alex Gibson, Civic Systems.
 - Discussion by City Council.
4. Other Business:
5. Adjournment.



Clarity also enables you to keep confidential information from being manipulated by allowing you to restrict access to certain fields within the application.

Below are some other areas that Clarity provides advantages over the Access version.

- 1) Program Language and Database – The Clarity version is written in Microsoft’s latest programming language, VB.Net, and will allow for SQL database to be utilized, thus eliminating and software related concerns on database sizes or potential data corruption.
- 2) Electronic Steps checklist – Electronic Workflow manager is hyperlinked for user processes and to aid in cross training.
- 3) User Customization – Every search screen, inquiry screen and favorites menu are able to be customized by user preference. This profile will follow the user’s sign-in no matter which PC they are at.
- 4) User Defined Fields – The Clarity version allows for an unlimited number and type of user-defined fields by table. This could assist in tracking and scheduling meter testing and PSC reporting.
- 5) Reports – Ability to change columns within each report and export each report to PDF, Excel, Word, Rich text or delimited file format.
- 6) Attachments - Ability to attach image or content files to customers account for viewing in Inquiry or Edit screens.
- 7) Clarity miViewPoint – Provides read only departmental lookup of financial information that is password protected. The person signing in will only have access to view the range off accounts and information they have been given rights to. You can also provide department heads with the ability to input the subsequent year’s requested budget. miViewPoint also gives employees the ability to input time and view current and past paychecks.
- 8) Online Bill Pay and Bill Presentment – Provides the ability for customers to view 24 months of bill history along the ability to opt out of receiving paper bills and instead receive emails of when their bill is ready for viewing.





Civic Systems' latest version of its financial and utility billing software suite, entitled Clarity, provides enhanced internal controls allowing the Administrators to keep a watchful eye on every financial transaction. One of the major reasons for the enhanced security is to accommodate the new Risk Assessment Standards. Clarity takes full advantage of the Microsoft SQL (SQL) database engine. The SQL engine provides enhanced security features to ensure that the raw data is secure and difficult to access providing better security and tracking capabilities to detect fraudulent activities in the financial system. The City/Village's current system may lack these security features and, as a result, the raw data is susceptible to manipulation. Many legacy software packages that municipalities use lack security features that, if operated improperly, would not allow for the identification of changes made to the financial data and who made those changes.

In addition to providing better security to data, Clarity gives the system Administrator the ability to enforce login password rules. These password rules include such things as setting a minimum length password, requiring both alpha and numeric characters; establish the number of failed login attempts before the user is locked out, and mandating that passwords be changed regularly without the capability to reuse old passwords.

Clarity also provides better tracking of data changes within the software. Clarity users have the ability to track changes or deletions on any field. The system will time and date stamp the user that made the modification. This log will provide you with what the change was, who changed it, when it was changed, along with tracking the field's new and old values. The system can easily provide reports on the instances where changes occurred. Additionally, Clarity has the ability to generate an email when changes are made on specific fields so that appropriate people are notified of the change. The following is an example of field level security tracking by Vendor name with Clarity:

The screenshot shows the 'History' window for Vendor 100. The table below represents the data shown in the window:

Column	Date	By	Value
Name	05/17/2010	admin	From Ace Hardware & Lumber
			To Gibson Hardware & Lumber
	05/18/2010	admin	From Gibson Hardware & Lumber
			To Ace Hardware & Lumber

The screenshot also shows the main vendor form with the following details:

- Vendor: 100 - Ace Hardware & Lumber
- Vendor number: 100
- Name: Ace Hardware & Lumber
- Address line 1: 409 W Parkway Blvd
- Address line 2: PO Box 647
- City: Anycity
- State/Province: UT
- Zip/Postal code: 85330-0647
- Telephone 1: 555-4449

Jennifer Larsen

From: "Scott Flory" <florys@netins.net>
 To: "Jennifer Larsen" <clerk@netins.net>
 Sent: Wednesday, December 14, 2011 9:32 AM
 Attach: Cemetery Deed Example.pdf; Clear Lake Preliminary Implementation Timeline 11-07-11 ML.pdf; Clear Lake, IA Software Proposal 11-7-11 ML.pdf
 Subject: Fw: Civic Systems' Updated Proposal...

Print this e-mail and attachments off for me.

Scott

----- Original Message -----

From: [Linda - City of Clear Lake](#)
 To: [Scott Flory](#)
 Sent: Tuesday, November 08, 2011 10:21 AM
 Subject: Fw: Civic Systems' Updated Proposal...

----- Original Message -----

From: [Michael Laesch](#)
 To: linda@cityofclearlake.com
 Cc: [Alex Gibson](#)
 Sent: Monday, November 07, 2011 3:54 PM
 Subject: Civic Systems' Updated Proposal...

Hello Linda,

I hope you are well! It was a pleasure meeting with you and your staff Friday! After much discussion on our way home we have revamped the proposal which I am sure will make you pleased. We do feel that a little extra time will be needed in conversion but we have provided an overall License Fee discount to drop the overall price. Also please keep in mind that we are willing to provide you with a 2-3 year payment agreement at 0% interest if you would like to spread the payments across multiple fiscal years.

I have attached the updated proposal along with an example of our Cemetery Deed and a Implementation timeline as you requested. Please keep in mind that all of our forms are customizable so the deed can be changed. Also keep in mind that the timeline is based off of the training and conversion availability today. We will do our very best to provide you with a timeline that fits your schedule if we are your choice.

Please find below some of our conversions from Tyler's group of products. As you can see we have had many conversions from them and we are able to extract their data. I have also provided an additional list of some of our Iowa Customer base. I believe that Central City and Harlan Municipal Utilities were Data Tech customer at one time but I am not 100% positive.

Customer Name	State	Contact	Telephone	Legacy
Altamont, City of	IL	Sarah Stephen	618-483-5212	Tyler-Incode
Bellwood, Village of	IL	Roy McCampbell	708-547-3500	Tyler - Fund Balance
Bushnell Municipal Utility	IL	Lisa Ludlum	309-772-2077	Tyler-CMS
Clive, City of	IA	Pamela Blessman	515-223-6220	Tyler-CMS
Dixon Water Utility	IL	Dawn Griswold	815-288-3381	Tyler-CMS
Essexville, City of	MI	Fran DeWyse	989-893-7192	Tyler-Fund Balance
Frankfort, City of	MI	Kim Kidder	231-352-7117	Tyler-Fund Balance
Harbor Springs, City of	MI	Patty Vorce-Sutton	231-526-0601	Tyler-Fund Balance
Indianola, City of	IA	Diana Bowlin	515-961-9410	Tyler-CMS Pace
Lapeer, City of	MI	Paul Boucher	810-664-2902	Tyler-Fund Balance
Marshall, City of	IL	Nancy Smitley	217-826-8084	Tyler-CMS
McFarland, Village of	WI	Gail Nelson	608-838-3153	Tyler-CMS
Milton, City of	WI	Nancy Zastrow	608-868-6920	Tyler-CMS
Pella, City of	IA	Mike Nardini	641-628-4173	Tyler-CMS
Petoskey, City of	MI	Nick Whitaker	231-347-2500	Tyler-Fund Balance
Salem, City of	IL	Bev West	618-548-2222	Tyler-CMS
Sauk Village, Village of	IL	Mohan Rao	708-753-5120	Tyler-Fund Balance
State Center, City of	IA	Lori Martin	641-483-2559	Tyler-CMS
Tuscola, City of	IL	Alta Long	217-253-2112	Tyler-CMS
Vandalia, City of	IL	Peggy Bowen	618-283-1198	Tyler-CMS
Viroqua, City of	WI	Nancy Bekkedal	608-637-7154	Tyler-CMS
Walworth, Village of	WI	Lisa Rogers	262-275-2127	Tyler-CMS

Customer Name	State	Contact	Telephone	AM	AP	AR	AL
Central City, City of	IA	LaNeil McFadden	319-438-1713		x		
Clive, City of	IA	Pamela Blessman	515-223-6220		x		
Harlan Municipal Utilities	IA	John Doonan	712-755-5192	x	x	x	
Indianola, City of	IA	Diana Bowlin	515-961-9410		x	x	
Newton Waterworks	IA	Toni Werden	641-791-0817		x	x	
Orange City, City of	IA	Kent Anderson	712-707-4885		x		

Pella, City of	IA	Mike	Nardini	641-628-4173	x	x	x	x	x	x	10,208	<2004
Webster City, City of	IA	Vicki	Smith	515-832-9141	x	x	x	x	x	x	7,720	<2004

If you have any questions or concerns please let me know. I will be on vacation from Wed through the end of the week with little or no ability to check my email, but I will be back on Monday.

Thanks again for your time and attentiveness! We look forward to the possibility of working with you.

Best regards,
Mike

Mike Laesch, Software Consultant
Civic Systems, LLC
Subsidiary of Baker Tilly Virchow Krause, LLP
Ten Terrace Court, Madison WI 53707
tel 608 240 2389, fax 608 249 1050, mobile 608 338 9193
milaesch@civicsystems.com www.civicsystems.com

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Jennifer Larsen

From: "Scott Flory" <florys@netins.net>
To: "Jennifer Larsen" <clclerk@netins.net>
Sent: Wednesday, December 14, 2011 9:33 AM
Attach: Clear Lake, IA Software Proposal 11-29-11 ML.pdf
Subject: Fw: Civic Systems proposal.....

Print off e-mail and attachment

----- Original Message -----

From: Linda - City of Clear Lake
To: Scott Flory
Sent: Tuesday, November 29, 2011 11:28 AM
Subject: Fw: Civic Systems proposal.....

Following is the revised quote from Civic Systems. There is a 50% payment due this fiscal year, then 25% in each of the following fiscal years. I have a call into Mike to see if we could get a demo of the cemetery software to play with. I mentioned the next council meeting will be December 5 and we may be presenting the proposal at that time.

I talked to Kevin in Mason City, as of 2 weeks ago they are fully up and running on the new software. He was still happy with the software, training and conversion process. Please let me know if you have any questions.

----- Original Message -----

From: Michael Laesch
To: linda@cityofclearlake.com
Sent: Tuesday, November 29, 2011 11:04 AM
Subject: Civic Systems proposal.....

Hello Linda,

Great talking to you today!

- 1) As requested please find an updated quote attached which provides you with a 3 year payment agreement. I included the following sentences in the contract. "You agree to purchase the software and services detailed below and Civic Systems, LLC agrees to provide them. An initial 50% down payment is due with this contract, 25% is due Prior to July 1st 2013 and the remainder is due prior to July 1st 2014. The information provided in this proposal is valid for 90 days after the date of issue, November 29, 2011."
- 2) I spoke to Chad (training schedulere) and he said that we could definitely still do the kick-off meeting in January but the training would need to be pushed back a bit. We would be able to make sure that you are up and running in April fully trained. Please let me know if that will not work for you. This will give us the month of March for conversion work.
- 3) I have contacted PSN and you will hear from Mike Garbutt.
- 4) As far as the cemetery management programs I am having trouble finding anyone that uses it. This is a module that we do not push to our customers and most probably do not realize that we have it. That is why we provided this module for free. I spoke to Alex and we also through the conversion into the Cemetery Management in for free also and we did not add in annual support. So, this module is truly free. The few customers that have purchased the module are not using it for various reasons. Basically they really didn't want to get rid of their manual process. Sorry!

Please let me know if I can be of any additional assistance.

Thanks,
Mike

Mike Laesch, Software Consultant
Civic Systems, LLC
Subsidiary of Baker Tilly Virchow Krause, LLP
Ten Terrace Court, Madison WI 53707
tel 608 240 2389, fax 608 249 1050, mobile 608 338 9193
mlaesch@civicsystems.com www.civicsystems.com

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**Software Agreement
City of Clear Lake
Prepared by Civic Systems, LLC**



Civic Systems

STRONG SOFTWARE, STRONG COMMUNITY
A SUBSIDIARY OF BAKER TILLY VIRCHOW KRAUSE, LLP

Civic Systems, LLC
Ten Terrace Court
P.O. Box 7398
Madison, WI 53707-7398
Phone: 888.241.1517
Fax: 608.249.1050
mlaesch@civicsystems.com
www.civicsystems.com

November 29, 2011

Software Purchase Agreement

Civic Systems, LLC
Ten Terrace Court
P.O. Box 7398
Madison, WI 53707-7398

City of Clear Lake
15 N 6th Street
Clear Lake, IA 50428

You agree to purchase the software and services detailed below and Civic Systems, LLC agrees to provide them. An initial 50% down payment is due with this contract, 25% is due Prior to July 1st 2013 and the remainder is due prior to July 1st 2014. The information provided in this proposal is valid for 90 days after the date of issue, November 29, 2011.

INVESTMENT SUMMARY

License Fees (5 Concurrent Users)	\$	55,750
Less: <10,000 Population Discount		(16,725)
Conversion / Setup		10,000
Training		12,600
Onsite Assistance		<u>2,400</u>
TOTAL	\$	<u>64,025</u>

Annual Support of \$7,805

*Above amounts do not include travel costs.

SIGNATURE AGREEMENT

The signatures below indicate each party's acceptance of this agreement.

CITY OF CLEAR LAKE

Signature: _____

Title: _____

Date: _____

CIVIC SYSTEMS, LLC

Signature: _____

Title: _____

Date: _____

Software Purchase Agreement

LICENSE FEES

License Fees based on a maximum of five (5) concurrent users.

Modules	Investment
Accounts Payable	\$ 12,000
Purchase Orders	Included
Check on Demand	Included
AP ACH	Included
Account Receivable	5,000
Cash Receipting	5,000
Cemetery Management	Free
General Ledger	5,000
miExcel	750
Payroll	9,000
Direct Deposit	Included
Magnetic W-2's	Included
Utility Billing	14,000
ACH Direct Pay	Included
Electronic Read Interface (Sensus)	Included
Service Orders	5,000
Online Bill Pay	Included
Total	\$ 55,750

CONVERSION

Conversion/ costs estimated at 80 hours @ \$125 per hour.

Total estimated cost \$ 10,000.

Conversion costs include, but are not limited to:

- Pre-setup working session to identify key individuals, discuss current processes and procedures, evaluate potential challenges and establish a project timeline.
- Data transfer from excel spreadsheets into the Caselle software.
- Form and customized report set-up (if necessary)

Software Purchase Agreement

TRAINING

Module	Classroom Days	Investment
Accounts Payable	1	\$ 1,200
Purchase Orders	<i>Included</i>	---
Check on Demand	<i>Included</i>	---
AP ACH	<i>Included</i>	---
Accounts Receivable	1	1,200
Cash Receipting	½	600
Cemetery Management	--	--
General Ledger	2	2,400
Payroll	2	2,400
Payroll Magnetic Media	<i>Included</i>	---
Utility Billing	3	3,600
ACH Direct Pay	<i>Included</i>	---
Electronic Read Interface (Sensus)	<i>Included</i>	---
Service Orders	1	1,200
Online Bill Pay	<i>Included</i>	---
Total	10 ½	\$ 12,600

*Above amounts do not include travel expenses.

ON-SITE ASSISTANCE

Module	Days	
Utility Billing	1	\$ 1,200
Payroll	1	1,200
Total	2	\$ 2,400

* Above amounts do not include travel expenses.

SUPPORT

Support fees are billed semi-annually in December (for January through June) and in June (for July through December). Support fees include yearly updates to the software as well as unlimited phone, fax, e-mail and internet support.

Annual Fee \$ 7,805.

*If the City decides to take advantage of the paperless billing capabilities along with the Bill presentment for customer bill review of their last 24 months of bills an additional \$50 monthly will apply.

Software Purchase Agreement

OPTIONAL MODULES

Optional Module	License Includes Programs	Training Cost	Setup Cost	Total Module Cost
Additional User	2,000	--	--	2,000
miViewPoint	5,000	--	250	5,250

*Above amounts do not include travel costs.

**User has prior experience using Caselle therefore no training is needed.

*** Annual Support for the above modules is equal to 15% of the license fees.

Hardware Specifications

HARDWARE REQUIREMENTS

Important! Using servers, workstations, or servers and workstations that do NOT meet the specified network system requirements may result in unsatisfactory performance and response times.

Network Server Operating System

Microsoft® Windows 2003 Server

Network Server Equipment

- Intel® Xeon® Quad-Core Processor 2.0 Ghz or higher
- 4 GB of available RAM
- 30 GB available disk space for Caselle Clarity applications (180 MB) and data
- Color SVGA .28 Monitor
- 1 GB Ethernet Network Card
- 1 GB Ethernet Switch
- DVDRW Drive

All hardware must be Microsoft® certified (request printed certification documents).

Celeron and Sempron processors are NOT recommended.

Database Server Equipment and Operating System

- Use the Recommended Network Server. For better performance, increase memory on network server or, use a separate Database Server (same specifications as the Network Server).
- Networks with more than ten workstations may require faster processors and/or more memory than the recommended.

Database Software

Microsoft® SQL Server 2005 Standard or Enterprise Edition.

Network Server and Database Server Power Protection

True On-Line UPS, 600 Voltamps minimum with UPS Monitoring card, cable, and software.

Workstation Computer

- Intel® Core™ 2 Duo (or higher)
- 2 GB of available RAM
- 30 GB available disk space for Caselle Clarity applications (180 MB) and data
- Color SVGA .28 Monitor
- DVDRW Drive

Celeron and Sempron processors are NOT recommended.

Workstation Operating System

Microsoft® Windows XP Professional or Windows Vista™

Workstation Power Protection

Combination On-Line conditioner and surge protector.

Backup System

Network quality system to backup fileserver hard drive on one tape and provide tape read after write verification.

Data File Transfer

DVDRW Drive

Printer HP Laser Printer or Canon Copiers with PCL or Postscript fonts

Receipt Printer

Ithaca Series 150 Printers

Internet Access

- DSL, ISDN, or T1

Explanation: Caselle® Applications require Internet access to download program updates. Using an Internet connection that is slower than 256 Kbps will take significantly longer to download data.

Email Email that is compatible with Microsoft® Windows.

Network Installer

Microsoft® or Novell® Authorized and Certified.

**Software Agreement
City of Clear Lake
Prepared by Civic Systems, LLC**



Civic Systems

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Civic Systems, LLC
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Phone: 888.241.1517
Fax: 608.249.1050
mlaesch@civicsystems.com
www.civicsystems.com

November 7, 2011

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A SUBSIDIARY OF BAKER TILLY
VIRCHOW KRAUSE, LLP



A SUBSIDIARY OF BAKER TILLY VIRCHOW KRAUSE, LLP

TRANSMITTAL LETTER

November 7, 2011

Linda Nelson – Finance Officer
City of Clear Lake
15 N 6th St
Clear Lake, IA 50428

Dear Linda:

It was great meeting you and your staff in Clear Lake. We are obviously very pleased to have this opportunity to submit our software solutions to you. Our proposal is based on your request for information and our prior experience in providing these services to clients with similar needs that were discussed in the demo.

Civic Systems, LLC (Civic) has the experience and resources necessary to meet your needs and assist you with this very important project. We would like to highlight several factors that distinguish Civic from other firms.

Full Service Firm

Civic provides a full range of software services specifically developed for cities and municipal utilities to over fifty new clients every year. These services include total turnkey software solutions. We are committed to enabling our clients to print utility bills, accounts payable checks, payroll checks, and monthly reports immediately after leaving our training facility. This process eliminates or minimizes the need to run parallel systems.

Experience

We understand the demands on your time and the pressures you face. This understanding comes from our continuing relationship with over 250 municipalities and 300 utilities throughout the Midwest. Our team includes CPAs, trainers with over twenty years of training experience, and quality help desk analysts ready and waiting to answer your every question. Civic is a subsidiary of Baker Tilly Virchow Krause, LLP (Baker Tilly). Baker Tilly is the 17th largest accounting firm in the United States and prides itself on its public sector practice that includes over 150 full time, fully dedicated public sector practitioners. This unique and strong Civic/Baker Tilly relationship allows us to provide unmatched public sector expertise.

Depth of Resources

Our project team members all have extensive software experience. All team members are available at any time for consultation. Our quality products and service will provide you with information you need to make timely and accurate management decisions, while meeting the needs of your customers.

City of Clear Lake

November 7, 2011

Page 2

Commitment

Civic has a long-standing tradition and solid reputation of providing high quality services to municipal government. To illustrate that commitment, we have a separate practice group devoted entirely to serving municipalities and their utilities.

Timely Service

Our experience with software and conversion services allows us to provide a highly efficient and cost-effective transition from your legacy system.

We appreciate the opportunity to submit this proposal and welcome the opportunity to discuss specific aspects of it with you. The information included in this packet is valid for 90 days. If you have any questions or need additional information, please contact me at 888.241.1517. We look forward to working with you on this important project.

Sincerely,

CIVIC SYSTEMS, LLC.

A handwritten signature in black ink, appearing to read "Michael Laesch". The signature is fluid and cursive, with a large initial "M" and "L".

Michael Laesch, Software Consultant

Enclosures

COMPONENTS OF SUCCESS

A successful software investment involves two critical components: the software itself and the conversion, education, on-site assistance and support services provided with the software.

Caselle's software suite, coupled with the strength and stability provided by Baker Tilly and Civic's years of experience and depth of knowledge, ensures that your software investment will retain its value through the years. Our role as your trusted advisors gives you the peace of mind of knowing that professional, 100% public sector focused CPAs and consultants will guide you along the path toward a successful software investment.

Each critical component of a successful software investment is briefly discussed on the following pages.



STRONG SOFTWARE, STRONG COMMUNITY

A SUBSIDIARY OF BAKER TILLY
VIRCHOW KRAUSE, LLP

Components of Success

SOFTWARE

Over seven years ago, Civic Systems entered into an agreement with Caselle, Inc. to represent their software throughout the Midwest. Caselle's software is the result of a long evolution that began in the 1950's as a part of a small CPA firm. Today, Caselle, Inc. provides fully integrated, true Windows-based financial and utility billing software to 1,000 clients throughout the United States.

All conversion, education, on-site assistance and support services are provided out of Civic's Madison, Wisconsin headquarters.

Caselle's software, coupled with the public sector expertise of Civic and Baker Tilly, provide an unbeatable team to ensure a successful and long-lasting software investment.



STRONG SOFTWARE, STRONG COMMUNITY

A SUBSIDIARY OF BAKER TILLY
VIRCHOW KRAUSE, LLP

CONVERSION

The success of any project usually depends on adequate up front planning. Software conversion is no different. From the first meeting until the last total is tested, an in-depth timeline and action plan will guide our progress.

Planning and Administration

Since planning is such a key element in the success of your conversion, an in-depth, pre-conversion working session will be held at your site to identify key individuals, discuss current processes and procedures, evaluate potential challenges and establish a project timeline. The timeline established will document our process, assist with staff availability planning, minimize your staff's duplication of effort and create a clean data cutoff for the conversion team.

Data Extraction

No one enjoys working overtime or weekends keying in data to new software. Let your staff completely avoid this time-consuming task by having Civic's conversion specialists quickly and accurately convert your data. Control "hooks" created from your current software allow us to map your data to the new software. In this way, existing data can be extracted, converted, tested, adjusted and finalized prior to your arrival for training. This process minimizes data clean up necessary to "go live". All you have to think about is learning the software while utilizing your own data.

Our standard conversion service covers current balances, prior year summary amounts, prior period meter history and other key information.



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EDUCATION

Civic's Educational Services include individualized, hands-on instruction at our Madison, Wisconsin training facility. Our thorough, patient instructors guide you through all the software features necessary for effective use. At completion, you will immediately be able to begin using the software.

Classroom Training

Civic's four high-tech training classrooms in Madison, Wisconsin allow an excellent learning experience. Hands-on instruction along with in-depth training ensures maximum product comprehension. Product overviews and fun classroom games ensure that key objectives are learned.

Professional, Experienced Trainers

Our trainers have extensive software and industry knowledge and will help you apply it to your community. Our senior trainers have over twenty years of municipal software training experience. Their knowledge of municipal issues provides a strong foundation to help you with budgeting, utility billing and other community operations.

Structured, Yet Individual, Training

Our structured training curriculum clearly outlines course objectives and goals to help you maximize your learning experience. Your trainer will guide you through this well-planned process. Group sessions and one-on-one instruction aid in the learning experience.

Customized Learning Using Your Own Data

Custom reports and screens can be designed using your data. You will be able to immediately begin using the software at training completion.

Post Training Assistance

During the first 90 days following training, you are welcome to contact your classroom trainer for software support. This helps create a smooth transition, since your trainer will be aware of any unique issues discussed during training. After 90 days, our experienced customer support representatives will be able to effectively handle any support issues.

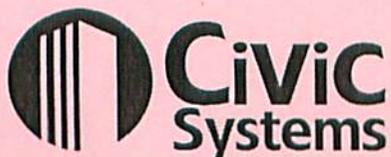


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ON-SITE ASSISTANCE

During the initial use of your new software, it can be reassuring to have an expert at your side. Civic's on site service provides you with the comforting reassurance of an expert on site to answer questions, correct any mistakes, offer helpful suggestions and monitor the overall progress of your software transition.



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SUPPORT

Support Center

The Civic Systems Support Center prides itself on timely and accurate support. Friendly, helpful representatives facilitate prompt issue resolution so your operations are not interrupted. All support calls are tracked and prioritized based on timing and urgency.

Support Center Objectives

Civic Systems Support Center's number one objective is responsive issue resolution. Every call is tracked and prioritized, based on urgency. Our goal is to respond to all calls within 60 minutes or less. Through our Customer Support Portal, which is accessible via the Internet, customers can view the status of a ticket at anytime, 7 days a week.

Methods for Requesting Service

You may contact the Civic Support Center by phone, fax or e-mail. Customers also have the option of submitting, canceling or adding more information to existing service tickets online through CIVIC's Customer Support Portal, which is accessible through the Internet. If the issue requires a more in depth look, we will access your data using PC Anywhere software.

Civic Systems Support Center Hours

Monday through Friday 8:00 AM – 5:00 PM Central Standard Time.
Saturday/Sunday – Please leave a message on the voice mail system for processing on Monday morning.

Annual Support Fees include:

- Unlimited, toll free telephone support for purchased CIVIC software applications.
- All software enhancements and updates.

Updates and Enhancements

Yearly updates are included in your annual support fee.



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PRODUCTS SELECTED

The software products you have selected include:

Accounts Payable

Review, approve, verify and validate invoices while ensuring maximum use of vendor terms and discounts.

Accounts Receivable

Manage customer accounts, invoicing, billing and payments with the Accounts Receivable module. You can create an unlimited number of billing categories with ease and flexibility.

Cemetery Management

Organizes and maintains records such as lot owners and vacant locations.

Cash Receipting

From point of payment to the bank deposit, the cash receipting system provides user friendly daily cash control. This software registers and prints all receipts from individual workstations with full descriptions, distributions, change due and account balance.

General Ledger

Quickly and easily enter, inquire, review and report important financial information. Pre-defined journal entries, online management tools, customized reports, previous history and tracking project costs over multiple years are a few of the features you'll enjoy using.

Payroll

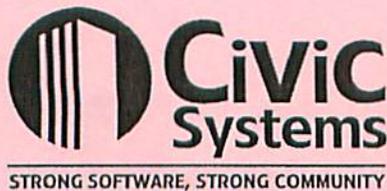
Easy payroll processing and development of your own customized, comprehensive employee information system. Federal and state government reporting requirements are complied with while providing complete fund and departmental allocations.

Direct Deposit

Electronically transfer employee earnings to banking accounts.

Magnetic Media

Create magnetic W2's in electronic format.



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Utility Billing

A comprehensive customer information system designed to address the unique challenges faced by municipal utilities. Features such as rate calculation

computation, multiple project meter database, and consolidated master meters allow your utility to customize the product based on your needs.

ACH Direct Pay

Customers automatically pay their utility bills from their checking or savings account.

Electronic Read Interface

Importing meter files is easy and hassle-free with the Electronic Read Interface. We are able to integrate all major hand held meter reading devices.

Service Orders

Create service orders to assign specific, user defined tasks including final reads and meter replacements.

Tax Certification

Easily produce tax certification notices for your delinquent customers and create a file to electronically send information to the appropriate agency.

Online Bill Pay and Bill Presentment

Provides customers with a direct bill payment option through a secure, robust Internet application. Ability for customers to opt out of paper billings, Utility bill payment, account review, inquiry features and service requests are all available. Interfaces with Cash Receipting for seamless bill payment option.



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Purchase Agreement Execution

PURCHASE AGREEMENT EXECUTION

The following page represents the document necessary to execute this agreement:

- Software Purchase Agreement (SPA)

If the terms and conditions of this proposal are acceptable to you, please sign and return the document to our office. We will then sign and return your copy.



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Software Purchase Agreement

Civic Systems, LLC
Ten Terrace Court
P.O. Box 7398
Madison, WI 53707-7398

City of Clear Lake
15 N 6th Street
Clear Lake, IA 50428

You agree to purchase the software and services detailed below and Civic Systems, LLC agrees to provide them. **An initial 50% down payment is due with this contract. The remainder is due at training.** The information provided in this proposal is valid for 90 days after the date of issue, November 7, 2011.

INVESTMENT SUMMARY

License Fees (5 Concurrent Users)	\$	55,750
Less: <10,000 Population Discount		(16,725)
Conversion / Setup		10,000
Training		12,600
Onsite Assistance		<u>2,400</u>
TOTAL	\$	<u>64,025</u>

Annual Support of \$7,805

*Above amounts do not include travel costs.

SIGNATURE AGREEMENT

The signatures below indicate each party's acceptance of this agreement.

CITY OF CLEAR LAKE

Signature: _____
Title: _____
Date: _____

CIVIC SYSTEMS, LLC

Signature: _____
Title: _____
Date: _____



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Software Purchase Agreement

LICENSE FEES

License Fees based on a maximum of five (5) concurrent users.

Module	Investment
Accounts Payable	\$ 12,000
Purchase Orders	Included
Check on Demand	Included
AP ACH	Included
Account Receivable	5,000
Cash Receipting	5,000
Cemetery Management	Free
General Ledger	5,000
miExcel	750
Payroll	9,000
Direct Deposit	Included
Magnetic W-2's	Included
Utility Billing	14,000
ACH Direct Pay	Included
Electronic Read Interface (Sensus)	Included
Service Orders	5,000
Online Bill Pay	Included
Total	\$ 55,750

CONVERSION

Conversion/ costs estimated at 80 hours @ \$125 per hour.

Total estimated cost **\$ 10,000.**

Conversion costs include, but are not limited to:

- Pre-setup working session to identify key individuals, discuss current processes and procedures, evaluate potential challenges and establish a project timeline.
- Data transfer from excel spreadsheets into the Caselle software.
- Form and customized report set-up (if necessary)



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Software Purchase Agreement

TRAINING

Module	Classroom Days	Investment
Accounts Payable	1	\$ 1,200
Purchase Orders	<i>Included</i>	---
Check on Demand	<i>Included</i>	---
AP ACH	<i>Included</i>	---
Accounts Receivable	1	1,200
Cash Receipting	½	600
Cemetery Management	--	--
General Ledger	2	2,400
Payroll	2	2,400
Payroll Magnetic Media	<i>Included</i>	---
Utility Billing	3	3,600
ACH Direct Pay	<i>Included</i>	---
Electronic Read Interface (Sensus)	<i>Included</i>	---
Service Orders	1	1,200
Online Bill Pay	<i>Included</i>	---
Total	10 ½	\$ 12,600

*Above amounts do not include travel expenses.

ON-SITE ASSISTANCE

Module	Days	
Utility Billing	1	\$ 1,200
Payroll	1	1,200
Total	2	\$ 2,400

* Above amounts do not include travel expenses.

SUPPORT

Support fees are billed semi-annually in December (for January through June) and in June (for July through December). Support fees include yearly updates to the software as well as unlimited phone, fax, e-mail and internet support.

Annual Fee **\$7,805.**

*If the City decides to take advantage of the paperless billing capabilities along with the Bill presentment for customer bill review of their last 24 months of bills an additional \$50 monthly will apply.



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Software Purchase Agreement

OPTIONAL MODULES

<i>Optional Module</i>	<i>License Fee (Includes Discount)</i>	<i>Training Cost</i>	<i>Setup Cost</i>	<i>Total Module Cost</i>
Additional User	2,000	--	--	2,000
miViewPoint	5,000	--	250	5,250

*Above amounts do not include travel costs.

**User has prior experience using Caselle therefore no training is needed.

*** Annual Support for the above modules is equal to 15% of the license fees.



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Hardware Specifications

HARDWARE REQUIREMENTS

Important! Using servers, workstations, or servers and workstations that do NOT meet the specified network system requirements may result in unsatisfactory performance and response times.

Network Server Operating System

Microsoft® Windows 2003 Server

Network Server Equipment

- Intel® Xeon® Quad-Core Processor 2.0 Ghz or higher
- 4 GB of available RAM
- 30 GB available disk space for Caselle Clarity applications (180 MB) and data
- Color SVGA .28 Monitor
- 1 GB Ethernet Network Card
- 1 GB Ethernet Switch
- DVDRW Drive

All hardware must be Microsoft® certified (request printed certification documents).

Celeron and Sempron processors are NOT recommended.

Database Server Equipment and Operating System

- Use the Recommended Network Server. For better performance, increase memory on network server or, use a separate Database Server (same specifications as the Network Server).
- Networks with more than ten workstations may require faster processors and/or more memory than the recommended.

Database Software

Microsoft® SQL Server 2005 Standard or Enterprise Edition.

Network Server and Database Server Power Protection

True On-Line UPS, 600 Voltamps minimum with UPS Monitoring card, cable, and software.

Workstation Computer

- Intel® Core™ 2 Duo (or higher)
- 2 GB of available RAM
- 30 GB available disk space for Caselle Clarity applications (180 MB) and data
- Color SVGA .28 Monitor
- DVDRW Drive

Celeron and Sempron processors are NOT recommended.

Workstation Operating System

Microsoft® Windows XP Professional or Windows Vista™

Workstation Power Protection

Combination On-Line conditioner and surge protector.

Backup System

Network quality system to backup fileserver hard drive on one tape and provide **tape read after write verification**.

Data File Transfer

DVDRW Drive

Printer HP Laser Printer or Canon Copiers with PCL or Postscript fonts

Receipt Printer

Ithaca Series 150 Printers

Internet Access

- DSL, ISDN, or T1

Explanation: Caselle® Applications require Internet access to download program updates. Using an Internet connection that is slower than 256 Kbps will take significantly longer to download data.

Email Email that is compatible with Microsoft® Windows.

Network Installer

Microsoft® or Novell® Authorized and Certified.

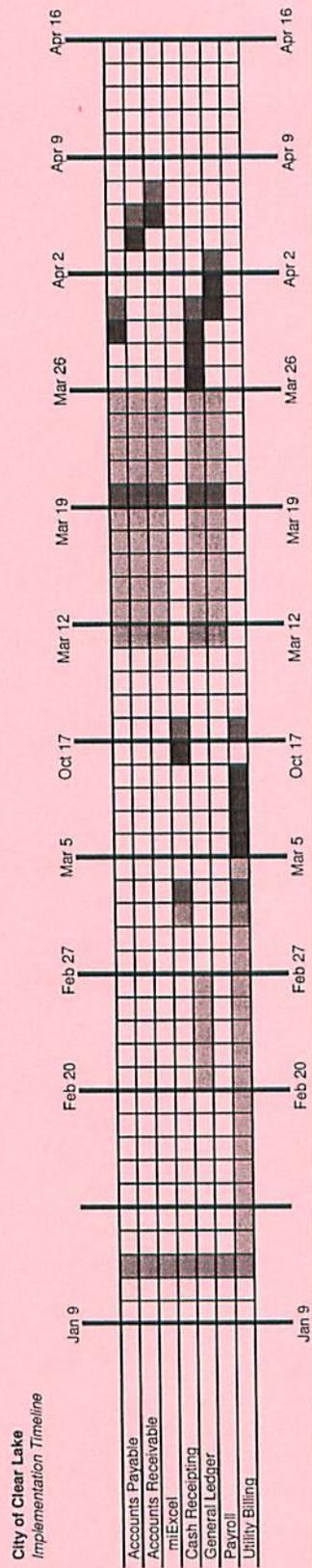


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Conversion and Installation

PRELIMINARY IMPLEMENTATION TIMELINE FOR CLEAR LAKE, IA



Note: These dates are subject to change upon further analysis of the city's monthly processing (e.g. payrolls, AP runs, billing cycles, etc.) and city's preferences of which modules they would like to implement first.



- Kick-off meeting
- Cutoff for converted data
- Final data needed & conversion work
- Conversion work
- Training
- Go-Live
- Onsite assistance



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