



CITY OF SIGNAL STAFF

2175 Cherry Avenue • Signal
Hill, California 90755-3799

12/9/2025

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

**BY: SIAMLU COX
ADMINISTRATIVE SERVICES OFFICER/FINANCE DIRECTOR**

**DAVID CASTRO
MANAGEMENT ANALYST**

**SUBJECT: LICENSING AGREEMENT WITH CLEARGOV, INC. FOR CITYWIDE BUDGET
PREPARATION SOFTWARE**

Summary:

The City prioritizes fiscal responsibility and regularly assesses opportunities to enhance efficiencies in operations. ClearGov is a U.S.-based software company that provides cloud-based budgeting, planning, and financial reporting tools for local governments, counties, special districts, school districts, and similar public-sector agencies. ClearGov also improves transparency by providing clear, public-facing financial dashboards that help residents understand how funds are used. Providing interactive software that is easily accessible to staff in a central location would enable the delivery of a more transparent and robust final product to stakeholders.

Staff recommends that the City Council authorize the City Manager to enter into an agreement with ClearGov, Incorporated for Citywide Budget Preparation Software. ClearGov was awarded a software contract in early 2025 through the Local Government Purchasing Cooperative, known as BuyBoard, following a competitive bidding process.

The initial contract would begin with implementation on January 1, 2026, and remain in effect until June 30, 2031. The contract includes complimentary implementation and a six-month pro-rata subscription fee of \$15,000, covering a six-month period for the remainder of FY 2025-26. The proposed agreement would transition to an annual contract on July 1, 2026, and will automatically renew annually with the option to terminate each year. The annual cost for Year 2 is \$32,530, with a 3% annual increase in subsequent years.

If approved, the budget software investment would enhance the City's budget processes, encompassing operational, personnel, and capital project budgets into a single budget software solution.

Strategic Plan Goal(s):

Goal No. 1 Financial Stability: Ensure the City's long-term financial stability and resilience.

Goal No. 5 High-Functioning Government: Strengthen internal communication, recruitment, retention, systems, and processes to increase the effectiveness and efficiency of City services.

Recommendation:

1. Approve the terms of the Service Order and Service Agreement with ClearGov, Incorporated for the activation and deployment of citywide budget preparation software for the fiscal year 2025-26; and
2. Authorize the City Manager to enter into a Contract Services Agreement with ClearGov to provide professional services and budgeting software for a not-to-exceed amount of \$32,530 annually in addition to a 3 percent annual escalation, with three additional one-year extensions in a form approved by the City Attorney.

Fiscal Impact:

Budget savings have been identified within the Information Technology division to accommodate the pro-rated subscription fee of \$15,000 for six months in Fiscal Year 2025-26. The subsequent annual subscription cost will be presented in the next budget cycle for City Council consideration. There is no new or additional funding being requested for the initial contract beyond the existing budget allocations.

ClearGov was awarded a software contract in early 2025 through the Local Government Purchasing Cooperative, known as BuyBoard, following a competitive bidding process. Rather than issuing a formal Request for Proposal (RFP), which is a resource-intensive effort, the City can instead piggyback on the existing BuyBoard contract. This approach complies with the City's Purchasing Policy regarding competitive bidding requirements, ensuring compliance while expediting procurement and maintaining the benefits of competitively negotiated pricing.

Background:

The City's current budget process relies heavily on a combination of a limited labor-costing tool from TrueComp (formerly GovInvest), as well as Microsoft Excel, Word, and Adobe Acrobat, to prepare the comprehensive citywide budget. Although these tools have facilitated the creation of consistent budget documents over the years, the demands of the modern work environment, characterized by ever changing requirements and opportunities for operational efficiencies, have made overall workflows increasingly labor-intensive and inefficient.

Staff members encounter significant challenges due to their reliance on cumbersome and manually maintained spreadsheets that are not easily updated or accessible. This arrangement complicates the compilation, formatting, and reconciliation of data, leading to considerable time expenditure and manual effort. Furthermore, the absence of a centralized location for budget details and related notes exacerbates these issues, potentially leading to human errors and limiting collaboration across departments.

Staff have identified more advanced software solutions to address the constraints and the need to

modernize its budgeting process. Investing in centralized budgeting tools could streamline data management, improve accessibility, and reduce the administrative burden on staff. The proposed shift to modernized budget software could help minimize potential errors, facilitate improved cross-departmental collaboration, and meet the rising expectations for transparency and efficiency in the budgeting process.

Analysis:

To enhance efficiency and modernize the City's budgeting process, staff evaluated various budgeting software solutions. The findings indicated that implementing a unified budgeting and transparency platform would effectively address the existing inefficiencies and replace the disconnected workflows of the current system. Staff recommends adopting a comprehensive software package designed to supersede the limited capabilities of the existing labor costing tool while incorporating essential features for complete budget functionality, including:

- **Personnel Budgeting:** This module will modernize the City's approach to automated cost-of-living adjustments (COLA), step increases, benefits modeling, and multi-year forecasting, ensuring more accurate and strategic personnel planning by making the personnel budget interact with the comprehensive citywide budget.
- **Operational Budgeting:** The introduction of a robust budget creation platform will enable controlled department-head input and data validation, promoting accountability and enhancing the accuracy of the operational budget.
- **Capital Budgeting:** By replacing the manual capital improvement plan (CIP) spreadsheet with interactive project pages and automated funding roll-ups, this functionality will significantly streamline capital budgeting tasks and improve project tracking.
- **Digital Budget Book:** This feature will eliminate the cumbersome manual formatting currently required, providing instant formatting, automated financial reporting, and a polished presentation for stakeholders, ultimately enhancing transparency and engagement.

In addition to continuously seeking solutions to streamline workflows, staff successfully negotiated a reduction in implementation costs, yielding \$15,750 in savings. Additionally, staff secured a 30 percent discount on the annual software price, resulting in total savings of \$22,935 in the first year. If the proposed purchase is approved, staff would begin implementation on January 1, 2026, allowing for the integration and application of the software to be included in the upcoming biannual budget process for Fiscal Years 2026-27 and 2027-28.

Conclusion:

Staff recommends that the City Council authorize the City Manager to enter into an agreement with ClearGov for the citywide budget preparation software. Upon receiving City Council authorization and executing the contract, staff will work to initiate a phased strategy for implementation of the personnel, operational, capital, and digital budget book modules into the City's future budget cycles.

Transitioning to a comprehensive budgeting software solution aims to significantly enhance operational efficiency while promoting greater transparency, accountability, and fiscal management in the City's budgeting process. By adopting this technology, the City will improve the efficiency of the

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budgeting process, positioning Signal Hill as a forward-thinking municipality committed to fiscal responsibility and excellence.

Reviewed for Fiscal Impact:

Siamlu Cox
Administrative Services Officer/Finance Director

Attachments:

- A. ClearGov Service Order
- B. ClearGov BCM Agreement