



## Information and General Services Department

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*Information Systems  
Geographic Information Systems  
Facilities Management*

*Emergency Services  
Central Services  
Cable Television*

*Purchasing  
Airport  
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## **NEVADA COUNTY BOARD OF SUPERVISORS**

### **Board Agenda Memo**

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**MEETING DATE:** June 27, 2017

**TO:** Board of Supervisors

**FROM:** Steve Monaghan, Chief Information Officer

**SUBJECT:** Resolution approving a Contract with Megabyte Systems, Inc. for software licenses and related implementation services, authorizing a release of funds from the Information Systems Infrastructure designation of the General Fund, and amending the FY17-18 Information Systems, Assessor, Auditor-Controller, and Treasurer-Tax Collector budgets

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**RECOMMENDATION:** Adopt the Resolution

**FUNDING:** The subject Resolution includes a release of funds from the Information Technology designation of the General Fund, and a budget amendment to provide expenditure authority in the Information Systems, Assessor, Auditor-Controller, and Treasurer-Tax Collector budgets. Total expenditures in FY2017-18 are \$1,275,858.

**BACKGROUND:**

The current county property tax system is a legacy software system developed in the 1970's and 80's. It has been maintained, patched, and modified by a number of systems analysts over the years. As technology has evolved, business processes and mandates have changed, and the real estate market has fluctuated, it has been a challenge to keep the system up to date. In addition, it is difficult to provide interfaces between the property tax system and other County systems, and to use modern query tools. As a result, the Offices of the Assessor, Auditor-Controller, and Treasurer-Tax Collector must use manual processes and spreadsheets that would not be required if a more modern and robust system was in place. Further, the unique nature of the current system makes us reliant on the two analysts who are familiar with the system and without a contingency if they were no longer available.

By Resolution 12-507, adopted on February 15, 2013, your Board approved the purchase of a new property tax system from Manatron, Inc. for a total contract cost of \$1,076,000. After four years, the County had yet to implement the new software system. Manatron is still working with Riverside County to resolve

development challenges and has yet to provide the product to any new counties during this period.

In February 2017, the County conducted a project risk assessment on whether to stay the course and wait longer for Manatron to implement their product, or to switch direction to the only other viable California property tax system provider, Megabyte Systems of Rocklin, California. Based on the risk assessment, the County Assessor, Treasurer-Tax Collector, Auditor-Controller, and Chief Information Officer all agreed the best course of action, representing the least risk and highest probability for success, was to cancel the Manatron contract immediately and negotiate the purchase of the Megabyte software solution. Working through County Counsel, the Manatron contract was formally canceled in March 2017, with no monies whatsoever paid to them, and the process of negotiating a new contract with Megabyte was started.

This new contract will implement the Megabyte property tax system (MPTS), used currently in 29 California Counties, with a go-live goal of July 2018. The total purchase price for the system is \$1,050,500. The MPTS is a more mature software product than the Manatron system and represents much more functionality and business process automation that will be available to the three tax processing offices as well as online services to our citizens.

Ongoing costs will include software support and maintenance costs of \$267,208 starting in July 2019, increasing by CPI each year, as well as annual server costs of \$9,000. These ongoing costs will be included in the annual General Fund budget for Information Systems, which will administer the contract.

Software License and Implementation:	\$1,050,500
Temporary labor in three tax offices:	\$90,048
Information Systems Analyst labor (already budgeted):	<u>\$135,310</u>
Total Project Costs:	\$1,275,858

For reference, the previous Manatron project's total cost was budgeted at \$1,547,234, including \$200,376 in hardware costs that have already been incurred for increased server capacity that will be used by this project.

Replacement of our legacy property tax system has for many years been of the highest priority to the County's Information Systems Steering Board. The three Officials responsible for assessing, calculating, apportioning, and collecting property taxes are very much looking forward to the increased efficiencies and reduced risk of failure that are expected to result from replacement of our legacy system with a state-of-the-art vendor-supported system.

**Item Initiated and Approved by:** Steve Monaghan

Submittal Date: June 14, 2017

Revision Date: