



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

2008 NOV 21 PM 4: 09

COUNTY OF SANTA BARBARA  
CLERK OF THE  
BOARD OF SUPERVISORS

Department Name: Treasurer-Tax  
Collector/  
Information Technology  
Department No.: 065  
For Agenda Of: December 9, 2008  
Placement: Administrative  
Estimated Tme:  
Continued Item: No  
If Yes, date from:  
Vote Required: 4/5

DEC 09 2008

1209-26 08-01095

**TO:** Board of Supervisors

**FROM:** Department Bernice James, Treasurer-Tax Collector  
Director(s) Sally Nagy, Chief Information Officer  
Contact Info: Bernice James, Treasurer-Tax Collector (x2490)

**SUBJECT:** IT Project Manager for the Property Tax System Replacement Project

**County Counsel Concurrence**

As to form: N/A

**Auditor-Controller Concurrence**

As to form: N/A

**Other Concurrence:** Human Resources

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

1. Adopt a CEO/Human Resources resolution effective December 15, 2008 adding one (1.0 FTE) Program/Business Leader – General position to the Information Technology Department
2. Approve funding to hire an Information Technology Project Manager (Program/Business Leader – General) to lead the Property Tax System Replacement Project.
3. Approve attached Budget Revision Request No. 2007596 for \$ 86,000 from contingency designations to fund a new Program/Business Leader General position to lead the Property Tax Replacement Project for the remainder of FY08-09 (approximately 7 months).

**Summary Text:**

During the FY2008/09 Budget hearings, your board requested the property tax departments (Treasurer-Tax Collector, Auditor-Controller, and Clerk-Recorder-Assessor) meet with the Chief Information Officer to develop a recommendation concerning replacing the property tax system. Four possible strategies have been identified. A project manager will be required to lead implementation of any of the four strategies.

Staff recommends hiring a dedicated project manager who will conduct a thorough analysis of our options, including total cost of ownership (all of the costs associated with developing, deploying, operating and maintaining a computer system). Upon completion of the analysis, staff will then present the Board a final strategy outlining the recommended approach, resource requirements and a solid case backing up the recommendation. The requested project manager will lead the implementation of the selected approach.

**Background:**

The Property Tax System is the system used to bill and collect approximately \$675,000,000 annually. At your June 2008 budget hearing, the Treasurer-Tax Collector identified risks associated with the current property tax system and the computer on which it resides (Z-frame).

1. The current system is 31 years old and obsolete; it runs on a small computer in what is known as mainframe emulation mode and is written in an outdated language.
2. The employees that support the Z-frame are nearing the end of their professional careers. Much undocumented knowledge that is difficult to replace would leave the County should any of them retire prior to shutting down the mainframe environment.
3. A number of the system software products running in the mainframe environment are no longer vendor supported. However, they are used extensively inside our applications. Expert industrial knowledge of these products is rapidly disappearing.
4. On July 3, 2008, the Z-frame overheated when the Gap fire caused the air conditioning in the Administration building to shut down. It took two IBM field engineers plus internal staff several days to diagnose and repair the computer. Part of the delay in resolving the problem was due to the age of the hardware (IBM staff were not as familiar with it as with newer equipment).

For a number of years, the Treasurer-Tax Collector, Auditor-Controller, and Clerk-Recorder-Assessor have been working together to develop a new system to replace the current system. In 2007-08, a Financial Systems Analyst (FSA) was added to the Tax Collector's budget to assist in designing a new property tax system. The position was to be funded equally by the Auditor, Assessor and Tax Collector. The FSA was to join an existing team working on the project (approximately 3.25 FTEs) from the three departments. The position was never filled and, in order to meet budget targets and operate within available funding, was eliminated from the FY2008-09 budget. Subsequently, 1.75 FTEs have either left the team or curtailed involvement with the project due to attrition or redirection to other projects.

Your board requested the property tax departments (Treasurer-Tax Collector, Auditor-Controller, and Clerk-Recorder-Assessor) meet with the Chief Information Officer to develop a recommendation concerning replacing the property tax system. Four possible strategies have been identified:

1. Stay the course and complete development of the new system with existing in-house resources. Due to insufficient resources, at best the current approach is three years away from completion (probably longer). In the meantime, some components of the new system already completed are nearing time for replacement. This approach runs the risk of repeating current problems in the future as those staff involved in development will remain necessary to maintain the new system and will not be available to replace the older sections.
2. Create a dedicated and adequately staffed project team and finish building the system. Success would require substantially more resources than currently available for this project. This approach runs the risk of repeating current problems in the future unless a sufficient support team remains in place after development to keep the system from becoming out-dated and unsupported.
3. Create a dedicated project team and search again for a commercial package. At least two vendors exist today that have not been considered previously. Utilizing vendor software helps mitigate the risk of staffing constraints into the future for system support, maintenance and updating. If the search proves unsuccessful, consider option two.
4. Hire staff to learn and support the existing system into the future. This approach is the least desirable of the four. The software is already old and cumbersome and IT professionals are no longer being trained in the languages in which it was developed. At some point programmers familiar with the programming languages used will either not be available or available only at a premium price.

Regardless of which approach is taken, build or buy, we recommend immediately hiring a dedicated project manager who will pull together a thorough analysis of our options, including total cost of ownership. Staff will then present a final strategy to your Board for resources with a solid case backing up the recommendation. The project manager will also take a hard look at the state of the Z-frame and whether or not the County is at risk and, if so, options to mitigate that risk. A project manager will be required to lead implementation of any of the four strategies.

**Fiscal and Facilities Impacts:**

Budgeted: No

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			
State			
Federal			
Fees			
Other: Contingency	\$ 86,000.00		
Other: Unfunded		\$ 149,000.00	
Total	\$ 86,000.00	\$ 149,000.00	\$ -

**Staffing Impacts:**

**Legal Positions:**

**FTEs:**

**Special Instructions:**

Please send minute order and copy of HR resolution to Judy Brown, Treasurer-Tax Collector.  
Please send an approved copy of the HR resolution to Susan Kean, CEO/HR Department.

**Attachments:** HR Resolution  
Budget Revision

**Authored by:**

Bernice James, Treasurer-Tax Collector

**CC:**  
Sally Nagy, Chief Information Officer

RESOLUTION OF THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA

IN THE MATTER OF AMENDING                    )  
RESOLUTION NO. 08-295, AS AMENDED        )  
BEING THE SALARY RESOLUTION OF            )  
COUNTY OF SANTA BARBARA                    )        RESOLUTION NO. \_\_\_\_\_

WHEREAS, Salary Resolution No. 08-295 established a Classification and Compensation Plan, and authorized Departmental Position Allocations effective August 25, 2008; and

WHEREAS, this Board of Supervisors finds that there is good cause for amending said Resolution No. 08-295, as amended, in the manner provided in this Resolution;

NOW, THEREFORE, IT IS HEREBY RESOLVED, AS FOLLOWS:

1. Resolution No. 08-295, adopted by the Board on August 25, 2008, is hereby amended by amending those portions identified below to read as follows, effective December 1, 2008:

2. Except as amended by this Resolution, Resolution No. 08-295, as amended, shall continue unchanged and in full force and effect.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this \_\_\_\_\_ day of \_\_\_\_\_, 2008 by the following vote:

AYES:

NOES:

ABSENT:

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Salud Carbajal, Chair,  
Board of Supervisors  
County of Santa Barbara

MICHAEL F. BROWN  
CLERK OF THE BOARD

By: \_\_\_\_\_ (SEAL)  
Deputy

APPROVED AS TO FORM:

DENNIS A. MARSHALL  
COUNTY COUNSEL

By: Victoria Parks Tuttle  
Deputy County Counsel

# Budget Revision Request

ORIGINAL

BJE 2007596

Budget Journal Entry #

Gov. Code Sec. 29125 & 29130

JE

Related Journal Entry #

**Subject / Title:** Provide a short description for this budget revision request. For example: "Designate funds for zoning ordinance amendments" or "Distribute proceeds from sale of 2005 COPS".

Information Technology: Release \$86,000 from the contingency designations to fund a new Program/Business Leader - General position to lead the Property Tax Replacement Project for the remainder of FY08-09.

**Justification:** For all changes: explain what the change is for and why it is needed. Attach additional justification, board Letters or spreadsheet, if appropriate. When moving Appropriation: explain why it's available. When Revenue is adjusted: explain the reason for the increase or decrease. For adjustments to General Fund Contingency: explain why no other alternative funding source is available.

The Information Technology Department is adding a Program/Business Leader - General position to lead the Property Tax Replacement Project. This position will analyze the four possible strategies for the project that have been identified by the property tax departments (Treasurer-Tax Collector, Auditor-Controller, and the Clerk-Recorder-Assessor) and the Chief Information Officer and will lead the implementation of the chosen strategy. The cost of the position for 7 months of the fiscal year is approximately \$86,000 and will be funded from Contingency.

## Financial Summary

Increase or (Decrease) in Appropriation for / Uses:	Department / Fund 066 / 0001	Department / Fund /	Department / Fund /	Department / Fund /
Salaries & Benefits	86,000   00	00	00	00
Services & Supplies	00	00	00	00
Other Charges	00	00	00	00
Fixed Assets	00	00	00	00
Other Financing Uses	00	00	00	00
Intralund Transfers	00	00	00	00
Reserve or Designation	00	00	00	00
<b>Sources:</b>				
Revenue	00	00	00	00
Other Financing Sources	00	00	00	00
Intralund Transfers	00	00	00	00
Reserve or Designation	00	00	00	00
<b>Effect on Contingency / RE</b>	<b>(86,000)   00</b>	<b>  00</b>	<b>  00</b>	<b>  00</b>

Departmental Authorization <i>Sally Nagy 11/6/08</i> Department Head Date <i>Greg R. Williams</i> Department Head Date Department Head Date	Auditor-Controller Budget Journal Entry and Related Journal Entry if applicable Approved as to Accounting Form. <i>Conrad Tedeschi</i> Auditor-Controller	CEO's Recommendation <input checked="" type="checkbox"/> Approve <input type="checkbox"/> Disapprove Transfer/Revision in Accordance with Board Policy dated 8/3/93. <i>11/21/08</i> Date <i>Keen</i> County Executive Officer	Board of Supervisor's Action <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved Date Agenda Item Clerk of the Board of Supervisors
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