



BOARD OF  
SUPERVISORS  
AGENDA LETTER

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

**Agenda Number:**

**Department Name:** Treasurer - Tax  
Collector  
**Department No.:** 065  
**For Agenda Of:** 12/17/19  
**Placement:** Administrative  
**Estimated Tme:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** 4/5ths

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**TO:** Board of Supervisors  
**FROM:** Department Harry E. Hagen, CPA, CPFA, CPFO, ACPFIM, CFIP, CGIP  
Director(s) Treasurer - Tax Collector  
805-568-2490  
Contact Info: Dan Chandler, CPA, CFIP, CGIP  
Investment Officer / IT Manager  
805-568-2154

**SUBJECT: Agreement for Services and License of Software and Budget Revision Request**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

- a) Approve and authorize the Chair to execute the Agreement for Services and License of Software with Creditron Corporation in an amount not to exceed \$388,774 for a remittance processing and image archival system replacement with an initial contract term of three (3) years and automatic renewals thereafter for successive one (1) year terms unless either party notifies the other party in writing of its termination of the Agreement at least ninety (90) days prior to the termination date of the initial term or any subsequent renewal term; and
- b) Approve the attached Budget Revision Request (BJE No. 0006730) to transfer appropriations of \$78,200 in Treasurer-Tax Collector General fund from Services & Supplies to Capital Assets-Software, and increase appropriations of \$231,200 for Capital Assets-Software funded by unanticipated revenue from Charges for Services for a new remittance processing and image archival system (Attachment A). The Budget Revision Request includes additional hardware costs related to the project which are going to be procured separately through competitive bid; and
- c) Determine that the above actions are government fiscal activities or funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant impact on the environment, and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines.

**Summary Text:**

This item is on the agenda in order to authorize the purchase of a remittance processing and image archival system “System” replacement in the amount not to exceed \$388,774. The current System was procured from this Vendor 18 years ago. The useful life of the System has ended and now requires updating to a new version from the same Vendor. The proposed System replacement is designed on an entirely new platform but will seamlessly interface with existing applications. Regarding the Budget Revision Request, \$150,000 was already budgeted for this project in the current fiscal year. We are requesting an increase in appropriations of \$231,200 for the additional costs relating to the project. This action requests that your Board approve and authorize the Chair to execute the Agreement for Services and License of Software with Creditron Corporation and approve the attached Budget Revision Request.

**Background:**

The Treasurer-Tax Collector (TTC) serves as the processor for all property tax payments in the County of Santa Barbara. In addition, TTC processes all department deposits within the County as well as Schools and Special Districts. Electronic, mail-in and in-person payments are processed through a System of hardware and software, procured by TTC in 2001 from the Vendor. Collectively, this System allows TTC staff to open envelopes, scan and image payments, archive images of checks and payment stubs, create bank deposit files, import electronic payments, and create payment files that are posted to the Financial Information Network. Additionally, for walk-in payments, constituents have the ability to make payments by check or cash.

TTC processes approximately 278,000 payments and deposits totaling \$2.8 billion per year.

The current System Software (ItemAge Classic) runs only on Windows 7 which is no longer supported by Microsoft after January 2020. Since ItemAge Classic was developed over 18 years ago and the Vendor offers a new platform named Enterprise Cloud Processing (ECP), the Vendor no longer provides updates to the Software. The ECP platform is compatible with the latest version of Microsoft Operating Systems including Windows 10. In order to ensure ongoing operations, TTC has secured 12 months of Windows 7 extended support from Microsoft moving the deadline for Windows 10 from January 2020 to January 2021. Additionally, TTC has worked closely with the Vendor over the last nine months to document system requirements (Attachment B, Exhibit B). Based upon the analysis performed and the approaching deadline, TTC recommends migrating from ItemAge Classic to the ECP platform. The expected completion time of this migration is approximately six months. The ECP platform must be placed into production by September 2020 in order to meet the January 2021 deadline to avoid interference with the TTC’s property tax collection cycle.

**Performance Measure:**

Replacement of the remittance processing and image archival system ensures ongoing operations of processing approximately 278,000 payments and deposits totaling \$2.8 billion per year.

**Fiscal and Facilities Impacts:**

Budgeted: BRR to FY 2019-2020

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Costs:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Costs</u></b>
General Fund			
State			
Federal			
Fees			
Other:	\$302,927	\$42,923	\$260,004
<b>Total</b>	<b>\$302,927</b>	<b>\$42,923</b>	<b>\$260,004</b>

The initial term of the contract is three years. Total hardware and software maintenance cost over three years is \$128,770. The remaining contract cost of \$260,004 equals total one-time project costs.

The Budget Revision Request (BJE No. 0006730) transfers appropriations of \$78,200 in the Treasurer-Tax Collector General fund from Services & Supplies to Capital Assets-Software, and increase appropriations of \$231,200 for Capital Assets-Software funded by unanticipated revenue. An additional \$150,000 was already budgeted for this project in the current fiscal year. The Budget Revision Request includes additional hardware costs related to the project which are going to be procured separately through competitive bid.

The source of funding is Treasury Administration Fees.

**Staffing Impacts:**

There are no additional staffing needs with this action.

**Attachments:**

Attachment A: Budget Revision Request (BJE No. 0006730)

Attachment B: Agreement for Services and License of Software with the Creditron Corporation

**Key Contract Risks:**

The potential Agreement with the Creditron Corporation would include a one-time implementation fee to install and optimize a new remittance processing and image archival system replacing an existing system procured in 2001 from the same vendor. The potential agreement would also include 3 years of maintenance.

**Special Instructions:**

Clerk of the Board: e-mail one copy of the minute order to dchandl@co.santa-barbara.ca.us.

**Authored by:**

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