



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

Department Name: Auditor-Controller,
Treasurer-Tax Collector
and Clerk-Recorder-
Assessor
Department No.: 061, 065, 062
For Agenda Of: April 9, 2012
Placement: Departmental
Estimated Tme: 15
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Robert W. Geis, Auditor-Controller (568-2100)
Director(s) Harry Hagen, Treasurer-Tax Collector (568-2490)
Joseph Holland, Clerk-Recorder-Assessor (568-2550)

Contact Info: Theo Fallati, Assistant Auditor-Controller (568-2102)

SUBJECT: Contractual and Extra Help Services for Property Tax System Implementation

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

1. Receive and file a progress report on the Treasurer-Tax Collector (Tax Collector) and Auditor-Controller(Auditor) implementation of the Government Revenue Management (GRM) property tax system.
2. Approve the attached Agreement for Services of Independent Contractor with Simpler Systems, Inc. (Simpler Systems), a local vendor, for the Property Tax System Implementation Project, in an amount not to exceed \$250,000.
3. In accordance with California Government Code Section 7522.6(f)(1) certify that the following two appointments of retiring or retired County employees are necessary to fill critically needed positions for implementation of the County's new Property Tax System before 180 days has passed from their dates of retirement and approve appointments of them to appropriate part time extra help positions, limited to 960 hours of annual service: (1) Rick Holly, retiring Chief Deputy Assessor; and (2) Mark Howell, retired Financial Systems Analyst.

4. Determine that the above actions are organizational or administrative activities of government that are not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(5) of the CEQA Guidelines.

Background:

The County of Santa Barbara is on a critical path to implement two vendor purchased Property Tax system applications. In 2010, the Board approved the Tax Collector's project to develop and implement a new property tax billing and collection system, known as GRM, to replace the 35 year old mainframe system. Also, in 2010 the Board approved the Assessor's project to develop and implement a new assessment administration and computer assisted mass appraisal system, known as RealWare, to replace the Assessor's current system known as APS. Both projects are currently in progress.

The GRM implementation is managed by the Tax Collector and Auditor and the RealWare project is being managed by the Assessor. Both are dependent on one another for the future operations of an efficient and integrated property tax administration system. The Board has previously received a presentation from the Assessor on January 15, 2013. The Tax Collector and Auditor are providing an update to the Board of Supervisors on the GRM implementation as part of this Board hearing.

The RealWare and GRM Systems will replace the current property tax assessment, billing and collection systems which maintain the County Property Tax roll valued at \$66 billion, which is the basis for billing, collecting and apportioning approximately \$700 million in property taxes annually for the County, cities, school districts and special districts. The current systems are outdated and present significant operational and cost risks if not successfully replaced. The implementation of the new integrated systems is crucial to the property tax processes and the finances of the County.

Summary Text:

Approving the Simpler Systems contract and the extra help appointments will greatly assist the County with the implementation of both the GRM and RealWare systems by providing essential expertise, programming, technical support and reporting products. The GRM project team is working toward a Phase I implementation that would produce FY 13-14 tax bills this fall with the new system. **Exhibit I** includes a short presentation summarizing the project schedule, program engineering work by the vendor, deployment of project staffing and resources, and County project team tasks including data conversion, interfaces, business processes, reports and server infrastructure. As part of the discussion we are requesting approval to supplement our resources with assistance from an independent contractor and re-hiring two retiring employees.

Simpler Systems, a local vendor, has been providing various systems implementation services to the County since 1997. The Auditor currently has an annual \$25,000 licensing software purchase order (P.O.) contract with Simpler Systems for their search engine and reporting tools. In addition, the Auditor has an existing P.O. for consulting services to guide us in system architecture, technical expertise and custom programming of County financial applications. This work has generally been for our FIN, PAY+ and the Property Tax Systems with the amount at \$70,000. As we reach the critical stages of GRM implementation, we would like to add additional assistance and expertise for development of reports and more resources to assist in data conversion. The estimated cost is approximately an additional \$70,000

for this fiscal year and \$110,000 for next fiscal year for a total contract of \$250,000, including the existing consulting services P.O. The Contract is **Exhibit II** to this Board letter and will replace the existing services P.O. as the new amount exceeds the Purchasing Agent's authority for approval.

Two key County employees, each with 36 years of experience, are retiring from the County. Rick Holly is the long-time Chief Deputy Assessor for the County who is a subject matter expert in property assessments and will retire effective July 7, 2013. We recommend that Mr. Holly return in a part-time role at an appropriate classification to assist us in efficiently implementing and integrating both systems. Mark Howell is a long-time mainframe programmer and Financial Systems Analyst specializing in the property tax mainframe system and has retired effective March 29, 2013. He has been instrumental in the closing of the assessment roll and the annual transfer of the assessment roll to the mainframe for the Auditor and Tax Collector processing. He has also been instrumental in helping us implement both systems. Because of the critical timelines of implementation, he is a vital resource for our transition. We recommend that Mr. Howell return in a part-time role to assist us in efficiently implementing and integrating both systems. New legislation that became effective on January 1, 2013 generally requires a six-month waiting period for the County's re-hire of County retirees. However, that new legislation also authorizes the Board of Supervisors to certify a critical need and authorize appointments before 180 days has passed from the date of the County employee's retirement. **Exhibit III** contains detailed descriptions of their roles in order to assist the Board in certifying that each individual is critical to the success of the property tax system implementation and waiving the six month waiting period re-hiring retired County employees.

Performance Measure:

N/A

Fiscal and Facilities Impacts:

The total contract for the GRM product is a not-to-exceed amount of \$3,225,670 consisting of \$2,000,000 for software development and implementation, \$150,000 for vendor reimbursable expenses, \$208,670 for a contingency and \$867,000 for five years of maintenance. The initial funding and appropriation for the project was \$2,400,000 in the Tax Collector's budget and cost incurred to date are \$933,820. The on-going annual maintenance will be included in future operating budgets.

Internal County staffing for systems development and implementation has been accomplished with existing staff. The Tax Collector and Auditor have dedicated an equivalent of 8.8 FTE's and have incurred labor costs of \$1.394 million to date.

The estimated cost of \$100,000 for the extra help re-hires will be funded within the operating budgets of the Assessor with appropriate reimbursements from the Treasurer and Auditor for costs incurred on the GRM implementation.

The \$250,000 contract with Simpler Systems will be funded within the existing operating budget of the Auditor for FY 12-13 and FY 13-14. Some portion of these costs will be recovered in future years through the property tax administration fee.

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund	\$ 140,000.00		\$ 250,000.00
State			
Federal			
Fees			
Other:			
Total	\$ 140,000.00	\$ -	\$ 250,000.00

Staffing Impacts:

Legal Positions:

N/A

FTEs:

Special Instructions:

Please send a signed copy of the Agreement for Services of Independent Contractor and Minute Order to Elaina Thanasko, Auditor Department Administrator

Attachments:

Exhibit I – GRM Project Summary

Exhibit II – Agreement for Services of Independent Contractor, Contract Summary

Exhibit III – GRM Project Retiree Critical Roles

Authored by:

Theo Fallati, Assistant Auditor-Controller

cc: