



# Property Tax System Replacement

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# Current Annual Mainframe Computer Cost

● Hardware & IBM MLC Maintenance	\$ 785,000
■ Third party Software License and Maintenance	
■ Includes annual licensing for:	
● FAMIS	
● M204 (Property system)	
● Payroll, etc.	
● Dedicated IT Support Staff Cost	<u>\$ 950,000</u>
● <b>Current Annual Cost</b>	<u><b>\$1,735,000</b></u>

# Why does it need replacing ?

- Between late 2013 and the spring of 2014, the mainframe and its supporting hardware exceeded end of life and needed replacement.
- After exploring several options to immediately migrate away from this platform, it was accepted that the County could not succeed and a new mainframe was acquired in May 2014 with a life expectancy of five years.
- The Chief Technology Officer gained conceptual approval from the Board to migrate all remaining mainframe applications to a server based environment prior to the 2019 projected end of life.

# Mainframe Migration Timeline

## ● **LMIS (P3 Project)**

- Vendor selection 2015
- Contract – Spring 2016
- Go Live scheduled for 2017

## ● **FENIX**

- Go Live by early 2018

## ● **Property System**

- Vendor selection – Spring 2016
- Contract - Summer 2016
- Go Live – Summer 2018

## ● **Recorder**

- Conversion complete – 2017

## ● **Mainframe decommission - 2019**

# What is the Property Tax System ?

- The Property System is used by the Assessor, Auditor/Controller and Tax Collector to administer the property tax program.
  - Acquired in mid 1980's
  - Integrated between the three Property Tax Departments, Assessor, Auditor and Tax Collector
  - Written in IBM Model 204, an integrated programming/database language that only runs on a mainframe computer.



# How big is the Property System?

- over 3,000 distinct programs which together contain more than one million lines of code.
- The system maintains over 130 separate databases containing more than 35 million records.
- The main system is supported by dozens of shadow systems running on servers and PC's throughout the three departments.
- Annually generates over \$330 million in property tax revenue for the County, Schools, cities, CSD's and districts, as well as the County general fund

# What are we looking for in a replacement system?

- Any potential replacement system must meet the following requirements of the Auditor, Tax Collector and Assessor:
  - An integrated solution between the Assessor, the Auditor and the Tax Collector.
  - Reasonable assurance that the project will be completed before the current mainframe computer reaches end of life.
  - Track record of success in California

# Vendor Demonstrations

- In February 2016, staff from all three departments attended demonstrations from the two viable vendors who offer a solution that could meet the needs of integration, timely transition and track record.
  - Megabyte Property Systems
  - Thompson Reuters Aumentum



# Megabyte Property system

- The Megabyte system:
  - operates in 25 California counties and has been in business since 1988.
  - The company is headquartered in Roseville.
  - Generally, user counties are satisfied with performance
  - There is a well established user group
  - The system has a good track record in state performance audits.

# Thomson Reuters Aumentum

- Thompson Reuters Aumentum
  - No versions of Aumentum running in California. There is one older unavailable version operating in Santa Cruz County.
  - The first installation of Aumentum in California is Riverside County, now expected to go live October 1st 2016.
  - There are currently about ten counties with signed contracts who would be ahead of us in line.

# Conclusion

- The Megabyte system has an established track record in California. The integrated system can be installed within the timeframe and there is a strong support network of other Counties using the product.
- Thomson Reuters Aumentum has not established a track record in California and it is doubtful that the vendor can meet our conversion time schedule. There will be a California user group someday, but not until more implementations occur.

# Recommendation

- The Assessor, Auditor-Controller and Treasurer/Tax Collector recommend the Board:
  - Approve the selection of Megabyte Property Tax Systems as the preferred solution for the replacement of the County's current M204 Property Tax System; and:
  - Authorize the affected departments and the Purchasing Agent and the enter into contract negotiations with Megabyte, Inc. and return to the Board for approval of a contract, data conversion plan and project implementation calendar.

A 3D grid of spheres on a blue background. The spheres are arranged in a regular, repeating pattern that recedes into the distance, creating a sense of depth. The spheres are light blue and connected by thin, light blue lines. The background is a solid, medium blue color.

Questions ?