

Priority: Accountability
Program Offer Type: Existing Operating
Related Programs: 72043

Lead Agency: County Management
Program Contact: Randy Walruff

Program Characteristics:

Executive Summary

This multi-year system upgrade project was initially approved in the FY07/08 budget. The Assessment and Taxation Division needs to replace the outdated Assessment and Taxation and Recording systems. A new Recording system was purchased and implemented in January 2008. The Recording system installation took place according to schedule and below budget. Work on the replacement of the Assessment and Taxation system continues. A request for proposal (RFP) was issued late in 2007 with five vendors responding. The evaluation panel realized that vendors were restricted from proposing their most current product, so the RFP will be revised and republished to allow vendors to present their most current operational product. This action will extend the project timeline about 6-9 months and was taken to assure review and selection of the best possible system for the County.

Program Description

The Division of Assessment and Taxation is seeking a system upgrade that features integration among all A&T business functions, including GIS, document recording, real property assessment, business personal property assessment, tax collection and distribution. The initial RFP required vendors to propose systems that had been operational for at least one year. It was determined that many of the responding vendors have new versions with the desired functionality but operational for less than one year. The RFP will be revised and reissued within six months to allow vendors to propose current products and allow the evaluation panel to evaluate products utilizing updated technology.

Program Justification

The program contributes to the Accountability Priority by: providing collection and reporting of program performance measures for budgeting and program management; improving financial controls and audit capabilities; addressing the findings of the 2005 County audit of personal property; reducing the cost of government by adopting a system that is consistent with County IT standards (more efficient for IT to operate); supporting efficiencies in A&T operations by integrating information from a GIS, recording, images, and field devices with A&T data for easy access by staff; enabling the capture of more taxable value and tax revenue by providing better tools for appraisers (NOTE: this requires the coordinated use of all parts of the system, including GIS); and by upgrading the collections case management system to improve collection of delinquent property taxes. The new systems will upgrade support for e-government by expanding access to property, tax, and records data, and increasing the opportunity to do business with the County electronically.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY06-07)	Current Year Purchased (FY07-08)	Current Year Estimate (FY07-08)	Next Year Offer (FY08-09)
Output	Number of 13 A&T System Milestones Met	0	0	1	3
Outcome	% of A&T Project Milestones Completed on Time and within Budget	0.0%	0.0%	0.0%	23.1%
Output	Number of 9 Recording Milestones Met	0	0	9	0
Outcome	% of Recording System Milestones Completed on Time and within Budget	0.0%	0.0%	88.9%	0.0%

Performance Measure - Description

The project to select and implement the new Recording system has 9 milestones, all were met in FY07/08. The multi-year project to select and implement a new A&T system has 13 milestones: FY07/08-Publish RFP; FY08/09-Evaluate Proposals, Select Vendor & Negotiate Contract; FY09/10-Assessment Analysis, Taxation Analysis & Assessment Development; FY10/11-Taxation Development, Assessment Testing, Taxation Testing, Train Staff, Implement System & Post-Implementation Support.

Legal/Contractual Obligation

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2008	2008	2009	2009
Personnel	\$0	\$0	\$0	\$167,610
Contracts	\$0	\$1,450,000	\$0	\$462,390
Materials & Supplies	\$0	\$170,000	\$0	\$140,000
Capital Outlay	\$0	\$2,480,000	\$0	\$1,712,500
Unappropriated & Contingency	\$0	\$4,850,000	\$0	\$6,067,500
Subtotal: Direct Exps:	\$0	\$8,950,000	\$0	\$8,550,000
Administration	\$0	\$0	\$0	\$0
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	\$0	\$0	\$0	\$0
Total GF/non-GF:	\$0	\$8,950,000	\$0	\$8,550,000
Program Total:	\$8,950,000		\$8,550,000	
Program FTE	0.00	0.00	1.00	0.00
Program Revenues				
Other / Miscellaneous	\$0	\$8,950,000	\$0	\$8,550,000
Program Revenue for Admin	\$0	\$0	\$0	\$0
Total Revenue:	\$0	\$8,950,000	\$0	\$8,550,000

Explanation of Revenues

Increased revenue is anticipated the first year following implementation (FY 12/13) as a result of productivity improvements for staff as well as a phased-in realignment of personnel from office support to field work finding taxable value. When new value is put on the tax roll, the corresponding tax growth is carried forward every year, and is compounded by the Measure 50 maximum 3% growth. The 10-year total increase in property tax revenue for Multnomah County of \$7.7 M is based on a rate of increase in new taxable value of 4% per year. The 10 year total increase for all taxing districts will be \$32.1 million. Project Funding proposed: Carryover \$200K in Fund 2504 for systems projects; \$8.35 million loan - Full Faith & Credit. Loan paid back over 10 years, unless market conditions allow for a shorter period at time of borrowing. Annual loan payments will be approximately \$1.046 Mil at estimated interest rate of 4.5%. Estimate a 10-year total increase in County Assessment Function Funding Acct (CAFFA) Grant revenue of \$1.94 Mil (\$194K annually). Capital expenditures for Systems upgrades are an allowable expenditure in the annual CAFFA grant application, up to a defined cap amount per year. For financed systems, the base loan amount is a qualifying expenditure, and by including it in the annual capital expense each year over ten years, the full base amount is within the capital cap amount, thereby maximizing the CAFFA grant revenues. The increase in budgeted allowable expenditures in the CAFFA Grant application increases the county's share (% distribution) of the available statewide CAFFA funding pool.

Significant Program Changes

Last year this program was: #72038, Assessment & Taxation & Recording Systems Upgrade

The new Recording system was purchased and implemented in January 2008. It came in on schedule and below budget. Work continues to keep the A&T system on its adjusted timeline. Limited duration project manager added during FY 08.