



# COUNTY OF SONOMA

575 ADMINISTRATION  
DRIVE, ROOM 102A  
SANTA ROSA, CA 95403

## SUMMARY REPORT

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**Agenda Date:** 5/24/2022

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**To:** Board of Supervisors

**Department or Agency Name(s):** Auditor-Controller Treasurer-Tax Collector/Clerk-Recorder-Assessor/County Administrator

**Staff Name and Phone Number:** Brooke Koop 565-1294

**Vote Requirement:** Majority

**Supervisory District(s):** Countywide

**Title:**

Megabyte Property Tax System Maintenance Agreement with Megabyte Systems, Inc. for continued maintenance and support of the County's property tax system.

**Recommended Action:**

1. Authorize the Auditor-Controller-Treasurer Tax Collector, the Clerk-Recorder-Assessor, and the County Administrator to execute an agreement to maintain and support the Megabyte Property Tax System and licensed modules for a 5-year period.
2. Authorize the Auditor-Controller-Treasurer-Tax Collector, the Clerk-Recorder-Assessor and the County Administrator to amend the agreement for minor changes or additions that do not significantly change the scope of services in a form to be approved by County Counsel in an amount not to exceed the department's delegated authority during the term of the agreement.

**Executive Summary:**

The County of Sonoma currently contracts with Megabyte Systems, Inc. to support and maintain the County's Property Tax System, which is used for property tax valuation, collection, and allocation. The Auditor-Controller-Treasurer Tax Collector, Clerk-Recorder-Assessor, and County Administrator request the Board's approval to execute a new maintenance agreement with Megabyte Systems, Inc. to continue maintenance and support of the system from July 1, 2022 to June 30, 2027. The not to exceed annual cost of the agreement for FY 2022-23 will be \$440,400, adjusted annually thereafter to factor CPI inflation. The new agreement provides for continued system support, including: help desk services, diagnosis and resolution of application problems, application software corrections, implementation of new State mandated changes, and support for databases and various modules. The agreement also provides the infrastructure, support, and maintenance to the Clerk of the Board/Assessment Appeals Module for managing the Assessment Appeals process and the Assessor - Just Appraised/Megabyte API Module for reading and data input of deeds using AI technology.

**Discussion:**

The County of Sonoma has been contracting with Megabyte Systems, Inc. since 1991 upon the acquiring and implementing of the Megabyte Property Tax System. The Clerk-Recorder-Assessor (CRA) and the Auditor-Controller-Treasurer-Tax Collector (ACTTC) use this system for property tax valuation, collection and allocation. The Clerk of the Board uses the system's Assessment Appeals Module for managing the Assessment Appeals process. Megabyte Systems requires a maintenance agreement to be approved along with the approval of their updated monthly rates in order to continue to provide ongoing support services. The proposed

maintenance agreement has no notable changes in support services from last fiscal year.

This Agreement is for services from July 1, 2022 to June 30, 2027. The maintenance and support cost for FY 2022-23 is \$ 36,697 per month for an annual amount not to exceed \$440,400. This amount is an increase of 7% from prior year in accordance with the increase in the Pacific Cities and U.S. City Average Consumer Price index (CPI), for month ending December 2021. During the agreement terms, the annual rate increases will be applied on July 1 of each year in accordance with the CPI from the prior December.

The Board is also being requested to authorize the ACTTC, CRA or CAO Department Head to approve minor changes or additions to the scope of services that do not exceed the department head's delegated authority during the term of this agreement. This contingent funding will be utilized if necessary to secure required system improvements or modules to insure ongoing compliance with California Revenue & Taxation and State Government Codes.

A sole source waiver has been approved by the County's Purchasing Agent for this contract as no alternative service is available due to the proprietary nature of the software.

**Strategic Plan:**

N/A

**Prior Board Actions:**

6/21/11 - Contract for FY 2011-12 approved

6/26/12 - Contract for FY 2012-13 approved

6/04/13 - Contract for FY 2013-14 approved with one 1 year option

6/16/15 - Contract for FY 2015-16 approved with two 1 year options

6/11/18 - Contract for FY 18-19 and FY 19-20 approved with two 1 year options

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 21-22 Adopted</b>	<b>FY22-23 Projected</b>	<b>FY 23-24 Projected</b>
Budgeted Expenses		\$440,400	\$454,000
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF		\$440,400	\$454,000
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>		<b>\$440,400</b>	<b>\$454,000</b>

**Narrative Explanation of Fiscal Impacts:**

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The cost of the contract is a shared expense between the ACTTC, CRA, and CAO departments. Of the total annual contract cost of \$440,400, the ACTTC's share is \$284,000, the CRA's share is \$150,600, and the CAO's cost for the Assessment Appeals module is \$5,800. The projected FY 23-24 cost of \$454,000 assumes an estimated 3% CPI inflator applied to the FY 2022-23 amount.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

Megabyte Services Agreement 2022

**Related Items "On File" with the Clerk of the Board:**

N/A