MEETING: October 8, 2019

TO: The Board of Supervisors

FROM: Vince Kehoe, Assessor-Recorder

RE: Agreements with Megabyte, Inc.

RECOMMENDATION AND JUSTIFICATION:
Approve Megabyte System (MPTS) Software License Agreement with Megabyte, Inc.;
Approve Agreement for MPTS Property Tax System Maintenance with Megabyte, Inc.;
and Authorize the Board of Supervisors Chair to Sign the Agreements.

In August 2018, the Board authorized then Assessor-Recorder Brent Joseph to apply
for grant funding through the State Supplementation for County Assessors Program
(SSCAP) administered by the State Department of Finance (DOF). SSCP is a pilot
program designed to assist County Assessors in performing assessments. Grant funds
must be matched at the rate of one local dollar for every two dollars provided by the
DOF.

Assessor Joseph’s grant application stated that the SSCP funds would be used for
 technological improvements to assist assessment activities. Assessor Joseph was
 successful in receiving grant funds totaling $675,000 with installments sent to the
 County over three years (2018, 2019 and 2020) at the rate of $225,000 per year. The
 County received the first installment in October 2018. The County’s responsibility in
 accepting this grant is to allocate $337,500 over the same three-year period at the rate
 of $112,500 per year. Per Assessor Joseph’s “Recommendation and Justification” in
 Resolution #2018-420, “County matching funds of $112,500 are available in the
 Adopted Budget as technology reserves.”

The purpose of this action item is to request the approval of agreements that will
result in the expenditure of grant funds and County funds as intended. Specifically,
the funds will be used to acquire, implement and maintain a property tax
administration software program referred to as the Megabyte Property Tax System
(MPTS) provided by Megabyte Systems, Inc. of Rocklin, CA.

MPTS is in use in more than 30 counties across the State. Many of the assessors in
those counties advised us as we negotiated with MPTS. As part of the purchase, MPTS
provides installation, implementation and on-site and off-site training (in Rocklin, CA)
for our staff. Additionally, we plan to participate in a “Megabyte User’s Group”
developed by the California Assessor’s Association.
Resolution - Action Requested 2019-586

Installing MPTS would be the first upgrade to the County’s assessment procedures in more than 25 years. The new system will allow the assessor’s staff to process and complete the annual assessment roll in a more efficient manner, and expedite turning the roll as statutorily required so that the County Auditor and Tax Collector may prepare and mail property tax statements on time. The tentative “go-live” date is 07/01/2020.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
In August 2018, the Board authorized Assessor-Recorder Brent Joseph to apply for grant funds through the State Supplementation for County Assessor’s Program administered by the State DOF. The County’s stated purpose in requesting the grant was to assist in the purchase of property tax management software.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Negative action will result in no upgrade to outdated assessment processes, require the Assessor to return to the DOF $225,000 in grant money received in October 2018 and terminate two future grant installments of $225,000 each.

FINANCIAL IMPACT:
The County is required to match SSCAP funding with one local dollar for every two dollars received from the State DOF. Impact to the County will be $112,500 per year for three years for a total of $337,500 in local funds. Payment of $162,625 from the County is due to MPTS upon signing these agreements.

ATTACHMENTS:
Megabyte Software License Agreement 8.30.19 (PDF)
Megabyte Maintenance Agreement 8.30.19 (PDF)

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER: Marshall Long, District III Supervisor
SECONDER: Kevin Cann, District IV Supervisor
AYES: Smallcombe, Jones, Long, Cann, Menetrey