



Agenda Date: 3/20/2007
Agenda Placement: 6J

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: John Tuteur - Assessor
Assessor
REPORT BY: John Tuteur, Assessor-Recorder-County Clerk, 253-4459
SUBJECT: Cost-sharing Agreements with Merced County RE Megabyte Property System Enhancements

RECOMMENDATION

Assessor-Recorder-County Clerk requests approval of and authorization for the Chair to sign following cost-share agreements with Merced County for the term July 1, 2006 through June 30, 2007:

1. Agreement in the amount of \$12,500 for the cost-sharing of the base-year tracking to the Megabyte Property Tax System; and
2. Agreement in the amount of \$2,000 for the cost-sharing of the manufactured home/aircraft automated valuation enhancements to the Megabyte Property Tax System.

EXECUTIVE SUMMARY

On December 11, 2001 Napa County became the lead county in working with Megabyte Systems, our property tax system vendor, for two enhancements to the system. The enhancements are now completed and delivered to all participating counties. 15 other counties which share the Megabyte System were eligible to receive the enhancements when completed by sharing in the cost. Merced County, one of the 16 cost-sharing counties, entered into cost-sharing agreements 4645-1 and 4646-1 on March 26, 2002. The agreements have since expired and now new contracts are necessary in order to facilitate payment of the balance due.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	These cost-sharing agreements are necessary to collect \$14,500 from Merced County as their share of the cost for two enhancements to the Megabyte Property Tax System. The funds will be deposited in the Property

	Tax Administration Trust Fund which has already advanced the funds to pay the underlying contract.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Unless the cost-sharing agreements are approved, the County (County's Property Tax Administration Trust Fund) will not be able to recover Merced County's share of the cost for the enhancements to the Megabyte System.
Is the general fund affected?	No
Future fiscal impact:	The enhancements will provide long-term service for the property tax system.
Consequences if not approved:	County's Property Tax Administration Trust Fund will not be able to recover Merced County's share of the cost for the enhancements to the Megabyte System.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

On December 11, 2001 Napa County became the lead county in working with Megabyte Systems, our property tax system vendor, for two enhancements to the system. The enhancements are now completed and delivered to all participating counties. 15 other counties which share the Megabyte System were eligible to receive the enhancements when completed by sharing in the cost. Merced County, one of the 16 cost-sharing counties, entered into cost-sharing agreements 4645-1 and 4646-1 on March 26, 2002. The agreements expired on June 30, 2006 and new contracts are necessary in order to facilitate payment of the balance due.

The total cost paid to Megabyte Systems for the enhancement of the base-year tracking to the Megabyte Property Tax System was \$400,000 (Agreement No. 4645). Merced County's portion in the cost sharing is one-sixteenth, which is \$25,000 (Agreement No. 4645-1). The first payment of \$12,500 was already made so under the new contract, the remaining balance of \$12,500 will be paid.

The total cost paid to Megabyte Systems for the enhancement to the manufactured home/aircraft automated valuation to the Megabyte Property Tax System was \$64,000 (Agreement No. 4646). Merced County's portion in the cost sharing is one-sixteenth, which is \$4,000 (Agreement No. 4646-1). The first payment of \$2,000 was already made so under the new contract, the remaining balance of \$2,000 will be paid.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Maiko Klieman