

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO award a contract to Caselle Software Solutions for the Property Tax and Sales Tax System Upgrade Project for a not to exceed amount of \$80,000.

CITY AND BOROUGH OF SITKA INFORMATION TECHNOLOGY DEPARTMENT
MEMORANDUM

TO: MAYOR McCONNELL AND ASSEMBLY MEMBERS
MARK GORMAN, MUNICIPAL ADMINISTRATOR

FROM: RON DUVAL, INFORMATION TECHNOLOGY DIRECTOR RAD

SUBJECT: PROPERTY TAX AND SALES TAX SYSTEM UPGRADE

DATE: APRIL 5, 2016

CC: JAY SWEENEY, CHIEF FINANCE AND ADMINISTRATIVE
OFFICER
MIKE MIDDLETON, DEPUTY FINANCE DIRECTOR

BACKGROUND

The City and Borough of Sitka (CBS) has been operating a Property Tax Billing (PTB) and Sales Tax Collection (STC) system in which the vendor has not been providing support for the last 10 years. Additionally, for the last year and a half there has been no in house expertise available to maintain the systems and as a result bugs have developed that require outside consultants to complete necessary repair work. The CBS IT and Finance Departments have been continually working on migrating all systems off the IBM AS400 hardware and software that has no vendor support, which included the Financial, Utility Billing, and Payroll systems that were migrated in 2014 and 2015. This step will finalize the complete migration of CBS Financial related systems.

Originally, this migration had been planned to be completed in FY17. However, with the successful completions the CBS Financial System and significant difficult with system reliability the time line has been moved up.

Goals of Property Tax and Sales Tax System Upgrade Project:

- Provide a commercially supported platform for servicing CBS revenue collection
- Provide a portal for property and business owners to view and pay their bills online
- Streamline data integration between assessing and billing

ANALYSIS

To ensure the success of this project, the CBS Information Technology Department requested proposals from various vendors, using the CBS bidding process, and based on the evaluation of those proposals has enlisted the services of Caselle Software Solutions. In coordination with Caselle, the tasks required to complete the Property Tax and Sales Tax

System Upgrade Project, including software licensing, system setup, data conversions and training, will take about six months to complete.

FISCAL NOTE

The cost associated with this phase of the project has not yet been appropriated in the FY16 budget. However, the balance of approximately \$385,000 in the IT Department undesignated working capital (reserves) will ensure no additional cost to the General Fund for FY16. For the contracted portion of the Property Tax and Sales Tax System Upgrade, a contract with Caselle would be set as a not to exceed \$80,000. Budget ordinance (ORD 16-09) is necessary to appropriate the funds to execute this contract. That budget ordinance will appropriate \$95,000 from the IT Departments undesignated working capital which will build a \$15,000 contingency for consultant support of the data migration and any other unforeseen customization costs.

RECOMMENDATION

Caselle Software Solutions provides the best option to ensure successful and improved revenue collections for the CBS. The goals laid out in this upgrade are in line with the Municipal Solutions Report conducted in 2014. Therefore, it is my recommendation that the Assembly authorize the Administrator to approve the contract with Caselle that will include software licensing, setup, data conversion and training.