Assembly Workshop on the Computer Assisted Mass Appraisal (CAMA) System Upgrade Project

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Today’s Agenda

- Update on the CAMA Upgrade project
- Proposed Municipal Code Changes
- AM 395-2020 for Software Maintenance
What is CAMA?

• Computer-Assisted Mass Appraisal (CAMA)
• Supports: Property Appraisal & Tax Billing
• 30 year-old technology
  – Runs on a mainframe
  – Difficult to find technical support for old system
  – No longer supported by the vendor
  – Any system change is a HUGE effort
CAMA Upgrade Project Overview

- Using the software vendor to perform the upgrade – Tyler Technologies
- Installing and configuring the latest version of the software – “iasWorld”
- Move off of mainframe and will run on a Microsoft Server
- Upgrade is following an “off the shelf” philosophy – changing business process and not customizing code
- Will allow future code changes to be quickly implemented

- Current Go-live estimate: Q3 2021
CAMA Upgrade Project Timeline

- Phase 1: Initiate/Plan
- Phase 2: Assess/Define
- Phase 3: Build/Validate
- Phase 4: Test/Train
- Phase 5: Go-Live

Timeline:
- Q1 2019: MOA Kick-off
- Q2 2019: Phase 2 Assess/Define
- Q1 2020: Phase 1 Initiate/Plan
- Q2 2020: Phase 3 Build/Validate
- Q3 2020: Q4 2020
- Q1 2021: Q2 2021: Q3 2021: Q4 2021
- Q1 2022: Project Closeout
CAMA Upgrade Project Capital Budget

- Capital budget: $7.173m (AR 2017-335)

<table>
<thead>
<tr>
<th>Category</th>
<th>2017 Estimate</th>
<th>Current Estimate</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>System License</td>
<td>$1.257m</td>
<td>$1.193m</td>
<td>$64k</td>
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<tr>
<td>Tyler Services</td>
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<td>$2.456m</td>
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<td>Professional Services</td>
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<td>$973k</td>
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<td>MOA Labor</td>
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<td>$591k</td>
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<tr>
<td>Misc. Hardware</td>
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<td><strong>Total</strong></td>
<td><strong>$7.173m</strong></td>
<td><strong>$5.373m</strong></td>
<td><strong>$1.8m</strong></td>
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Ordinance Changes

Overall Objective for Ordinance Change: Taxpayer equity, government efficiency, and process improvement for new CAMA system

- Mobile Homes
- Aircraft
- $20k Business Exemption
- Business Property Assessment Returns
- Property Tax Due Date
- Property Tax Refunds
Mobile Homes

Proposed Change: exempt all privately owned mobile homes under AMC 12.15

Current
All mobile homes are assessed at full and true value, ~3% of Personal Property tax roll

Proposed
• Exempt all privately owned mobile homes
• Continue to assess mobile homes owned by business

Benefit:
– Provides similar dollar tax savings as most single-family homes with a residential exemption
– Increased assessment and tax collection efficiency
Proposed Change: tax non-regular scheduled business aircraft to pay a tax based on the weight of the plane under 12.08

Current

• Non-Regular schedule aircraft pay a registration tax: $75 for single engine, $125 for two or more.
• This includes personal owned aircraft

Proposed

• Non-regular scheduled business aircraft pay a tax based on weight
• This would not include personal owned aircraft

Benefit:
– Personal owned aircraft would be treated like other personal property such as boats or snow machines, i.e. not taxed
– This would bring businesses with aircraft closer to equity with other businesses
Personal Property Business Exemption

Proposed Change: Increase the personal property business exemption to $50,000

Current
- The first $20,000 of business property is exempt

Proposed
- The first $50,000 of business property is exempt

Benefit:
- In 2008, the residential exemption increased from 10% up to $20,000 to 20% up to $50,000. This change would bring the personal property business exemption commensurate with the residential exemption
- Further extends tax relief to all businesses
Business Property Assessment Returns (BPAR)

Proposed Change: Add a penalty for personal property business non-filers

- **Current**
  - 10% penalty for late filing
  - 10% penalty for non-filer

- **Proposed**
  - 10% penalty for late filing
  - 20% penalty for non-filer

**Benefit:**
- Increased efficiency for staff as non-filer estimates are labor intensive
- Increasing penalty for non-filers providers differentiation with late filers
Property Tax Due Date

Proposed Change: Change the real property tax due date to the end of the month AMC 12.15.060

Current

• Real property 1st and 2nd half due dates are on June 15th and August 15th
• Accrual of interest is charged mid-month for real property during summer months and at month-end for all other billing cycles

Proposed

• Real property 1st and 2nd half due dates cited each year in an Assembly Resolution would change to month-end due dates (i.e., June 30 and August 31)
• Accrual of interest charged would then be charged on the first day of the month following the due date, for all billing cycles

Benefit:

– Provides additional time for real property owners to pay taxes
– This would make interest calculation the same for real property and personal property and reduce confusion by eliminating differences in billing / interest accrual cycles.
Property Tax Refunds

Proposed Change: Allow taxpayers to transfer money between accounts

**Current**

- Restrictions on transfer of excess property taxes paid on one parcel to a related parcel

**Proposed**

- Allow transfers of overpayment on one parcel to one or more parcels having an unpaid balance, if same owner is identified for all such parcels

**Benefit:**

- Improves accuracy and timeliness of property tax billing account information
- Reduces volume of refund processing for property tax accounts
- Increases staff efficiency and save personnel and operation costs
Software Maintenance

- AM 395-2020 on Tuesday’s agenda
- What is it?
  - Operating Expense for Software Maintenance
  - Sole source purchase Tyler Technologies
  - Tyler Technologies is original author

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost*</th>
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<tr>
<td>Base Year</td>
<td>$231,760</td>
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<tr>
<td>Option Year 1</td>
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<td><strong>Total Not To Exceed</strong></td>
<td><strong>$1,280,620</strong></td>
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*Maximum annual increase of 5%
Current CAMA Operating Costs—OIT Budget

• OIT spends $750k/year operating supporting mainframe
• Continue to spend $750k through 2021
• 2022, OIT plans to retire the mainframe.
• $750k Less the $231k annual maintenance cost, expect an operational savings of $500k to start in 2022