

**SOLANO COUNTY
CIVIL GRAND JURY**

2020-2021

COUNTY ASSESSMENT AND TAXATION SYSTEM (CATS)

County Assessment and Taxation System (CATS)

Solano County Civil Grand Jury 2020-2021

I. SUMMARY

In 1982, Solano County installed a technological solution to manage its integrated property administrative processes. That aging system is experiencing maintenance and update challenges. In 2017, a decision was made to acquire and develop a new, comprehensive property assessment and taxation system. The county has committed a significant financial investment towards its implementation.

The Solano County Civil Grand Jury is encouraged that county leadership is taking appropriate actions to achieve the successful implementation of such a critical system. The Civil Grand Jury review of the County Assessment and Taxation System (CATS) project found that county stakeholders personnel interviewed are knowledgeable and well positioned to effectively implement the new system.

II. INTRODUCTION

Property taxes are a major source of local government revenues and are levied primarily on property values. The Assessor's Office maintains a roster of property values in the county. Since 1982, Solano County's property tax information has been maintained in the Solano County Integrated Property System (SCIPS). This information system is used by the following stakeholders: Assessor/Recorder Office (ARO), Auditor/Controller Office (ACO), and Tax Collector Office (TCO).

In 2017, county administrators and key stakeholders acknowledged that SCIPS is an aging application using outdated software with limited technical support. The Board of Supervisors approved a \$10 million reserve for a multiyear project to replace SCIPS. The Solano County Department of Information Technology (DoIT) and the three property tax stakeholders are working with Aumentum Technologies (AT) to implement a new database system configured to meet Solano County's needs.

The 2017-18 Solano County Civil Grand Jury reviewed the entire property tax assessment and payment processing workflow. At the time of that review, the vendor selection process was underway with a tentative selection under consideration. The 2019-20 Solano County Civil Grand Jury published a report entitled *County System Inventory, Security, Backup and Recovery*. As part of the review, the status of the replacement of SCIPS was examined based on the following challenges noted in the 2019-20 County Recommended Budget:

“The existing system is hosted on a modern platform, while the underlying application structure and business rules are approximately 30 years old. The system complexity and 30-year-old design has proven to be a maintenance challenge and continues to limit departments' ability to improve business processes as well as limiting the county's ability to take advantage of new service-based technology. Operation of the system is heavily dependent upon institutional knowledge and numerous workarounds. The system needs

major platform overhaul to ensure its components remain supported by their manufacturers.”

The replacement project, County Assessment and Taxation System (CATS) was acknowledged by the stakeholders as a critically important system. After a vendor was selected the project officially commenced on February 25, 2019.

The 2020-21 Solano County Civil Grand Jury followed-up on the CATS project since any obstacles encountered could present potentially significant risk and expense.

III. METHODOLOGY

Techniques used in deriving facts include:

- Interviews with County representatives from:
 - Assessor/Recorder Office
 - Treasurer/Tax Collector/County Clerk Office
 - Auditor/Controller Office
 - Department of Information Technology Office
 - County Administrator Office
- Reviews of the following data, articles, documents, and websites:
 - Prior Solano County Civil Grand Jury Reports and files:
 - 2017-18 *Property Tax Assessment and Payment Processing Review*
 - 2019-20 *County System Inventory, Security, Backup and Recovery*
 - Solano County Fiscal Year (FY) 2020-21 Recommended Budget
 - Solano County FY 2019-20 Recommended Budget
 - CATS Project Team Structure Chart
 - CATS 13 Phase Project Plan as of 9/10/19
 - CATS 5 Stage Project Plan as of 8/24/20 & 11/17/20
 - Vendor history and website

IV. STATEMENT OF FACTS

A. *Property Tax Cycle Overview*

The property tax cycle relative to the assessment, calculation, collection, and allocation of property taxes to the appropriate tax-levying agencies involves the Assessor/Recorder (ARO), Auditor/Controller (ACO), and Tax Collector (TCO). The cycle starts with the ARO identifying ownership of taxable properties, establishing values for real and personal property subject to taxation, and applying any applicable exemptions. This process creates the assessment roll that is delivered to the ACO each year.

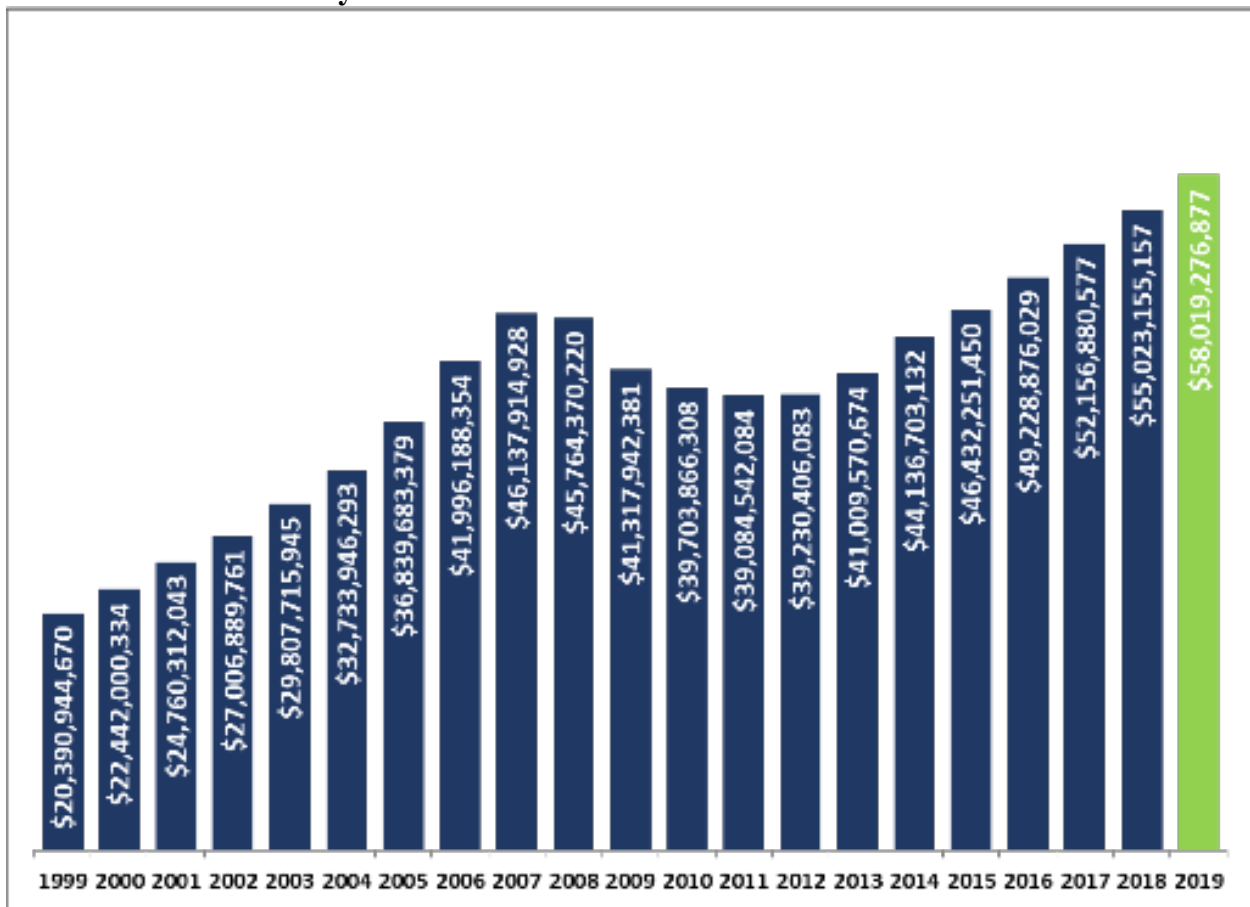
The ACO has two primary roles in the property tax cycle. The first is to apply the appropriate tax rate along with voter-approved improvement bonds, service fees, and special assessments to determine the actual amount of property taxes owed, thus creating the extended roll that is

transmitted to the TCO. The second role of the ACO is to allocate revenues to local taxing agencies, including the county, schools, cities, libraries, and special districts.

The TCO prepares property tax bills from the extended roll received from the ACO. The bills are printed, mailed annually, and due in two equal installments. The TCO receives payments through several channels, including in-person, online, through mortgage companies, and by mail.

In FY 2019-20 the Solano County Property Assessment Roll totaled \$58 billion based on approximately 148,000 parcels (See Chart #1). Key stakeholders recognize the importance of having a reliable, integrated, and efficient property tax data management system to handle the significant financial revenue generated, making this an important project.

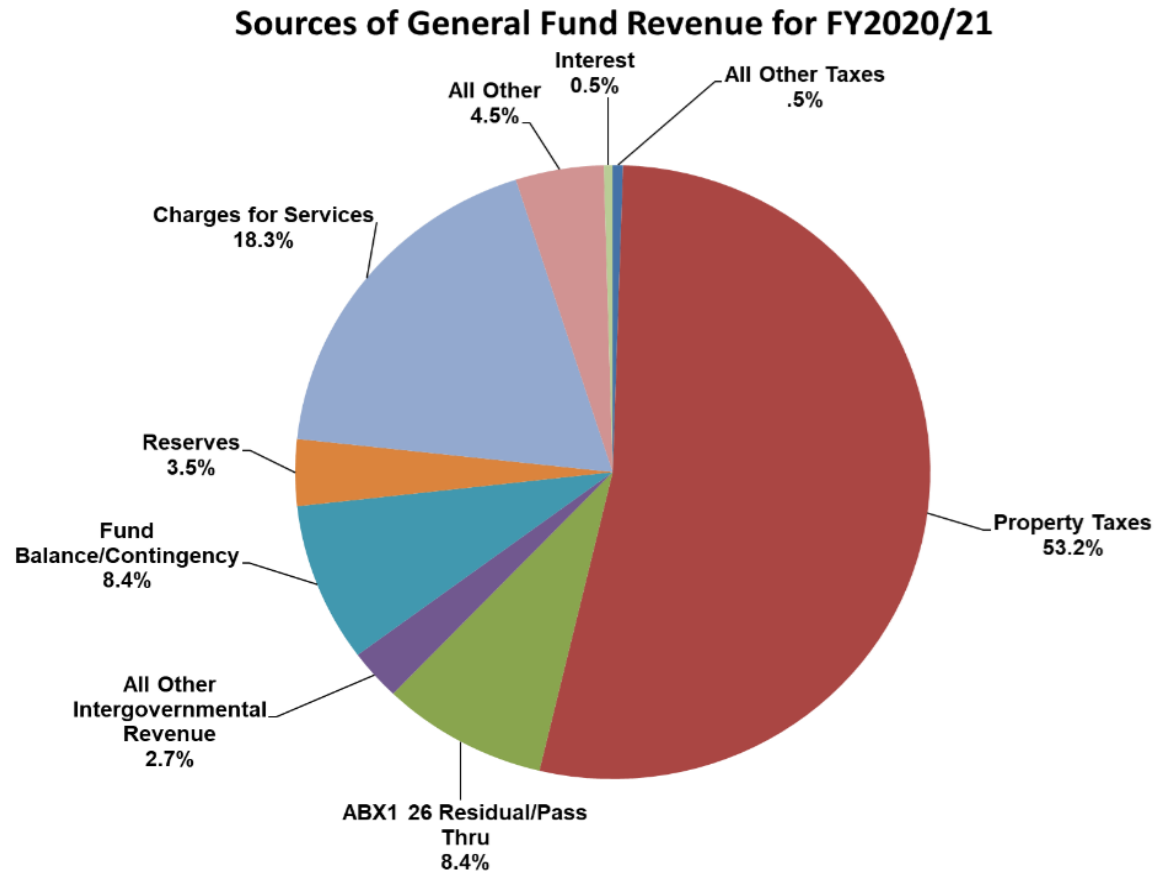
Chart #1 –Solano County Assessed Values



Source: County of Solano, Assessor-Recorder's Office, July 2019

The FY 2020-21 Recommended Budget reflects revenue derived from property values, accounting for over half (53.2%) of the county's general fund revenue (See Chart #2). Overall, property taxes, along with special taxes and assessments, generate about \$460 million in annual distributions to the local taxing agencies.

Chart #2 – SOLANO COUNTY GENERAL FUND Total: \$294,769,415



B. CATS Replacement Project

In late 2018, the primary stakeholder departments, in coordination with the county DoIT, selected Thomson Reuters’ Aumentum Technologies to replace the aging SCIPS. This vendor was also installing the Aumentum Integrated Platform for California in Riverside County. The CATS Steering Committee that was formed to monitor the project still holds monthly meetings and continues to follow the Riverside County implementation to identify potential pitfalls during the project’s development and implementation. Due to a lesson learned from Riverside County, significant time and effort are being spent cleaning up Solano County’s historical data which are being migrated to an archival system. Comparative analysis with Riverside County is not possible due to the size difference of the two counties’ taxable real estate. Solano County has about 148,000 parcels compared to Riverside County’s one million.

In response to an August 2020 Civil Grand Jury request for information, the DoIT reported that in March 2020 the county entered into an agreement with Aumentum Technologies (AT). AT is now responsible for completion of all conversion responsibilities. A project plan with milestone dates was delivered to DoIT in November 2020. The expectation is that this plan will reduce the potential for significant project delays and result in a shortened time to a Go-Live date. The

project plan has the work being completed in five stages. The approved \$10 million budget remains the target. As of September 2020, \$531,000 had been spent for professional services, IT, archiving, and project management. Large payments to the vendor are based on “milestone payments” which have not occurred yet.

The project end users are excited about the new system’s capacity for information integration and relational data usage. The end users are eager to test the database interface and mapping schemes. All affected departments will need to add temporary staffing for the implementation of this project. No additional permanent staffing will be required. The most experienced operations staff will need to be focused on this project to meet any challenges and concerns that may occur. DoIT has staff at or near retirement age. To mitigate the possible loss of experienced team members, an evaluation of key roles, knowledge levels, and skill sets is underway so cross training can be provided.

V. FINDINGS AND RECOMMENDATIONS

FINDING 1 – Aumentum Technologies delivered a project plan and schedule in November 2020 assuming responsibility for completion of data conversion and implementation activities. The project plan and schedule are subject to changes over time and require diligent monitoring by key stakeholders.

RECOMMENDATION 1A – County project team leadership and end users continue to actively monitor critical deliverables, target due dates, and utilize communication protocols.

RECOMMENDATION 1B -Particular attention should be focused on data mapping and conversion and user acceptance testing.

RECOMMENDATION 1C - The county devote sufficient resources and time to ensure affected personnel are trained to uniformly use and understand the new system.

REQUIRED RESPONSES

Solano County Department of Information Technology Chief Information Officer
Solano County Assessor/Recorder
Solano County Auditor-Controller
Solano County Treasurer-Tax Collector-County Clerk

COURTESY COPIES

Solano County Administrative Officer
Solano County Board of Supervisors