



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Controller



Date: January 23, 2013
Board Meeting Date: February 26, 2013
Special Notice / Hearing: None
Vote Required: 4/5ths

To: Honorable Board of Supervisors
From: Bob Adler, Controller
Subject: Amendments to Agreements with Padmakumar Nagarajan and Keyser Marston Associates, Inc.

RECOMMENDATION:

- A) Adopt a Resolution authorizing:
- 1) An amendment to the Agreement with Padmakumar Nagarajan to provide property tax software development and support services, extending the term through June 30, 2013, increasing the amount by \$69,360 to \$152,560; and
 - 2) An amendment to the Agreement with Keyser Marston Associates, Inc. to provide Redevelopment Agency (RDA) dissolution services, increasing the amount by \$67,500 to \$164,000.
- B) Approve an Appropriation Transfer Request (ATR) in the amount of \$557,984 as follows: \$140,000 from Non-Departmental ERAF Reserves to Non-Departmental Services and Supplies and the balance from the following Controller Office accounts: \$140,000 from Intrafund Transfers, \$237,984 from Unanticipated Intergovernmental Revenues, \$20,000 from Regular Hours Permanent Position, and \$20,000 from Unanticipated Miscellaneous Reimbursements, to the following Controller's Office accounts: \$270,948 to Other Professional Contract Services, \$6,800 to Department Employee Training, \$121,406 to Automation Services ISD, \$3,959 to Departmental Reserves, \$14,871 to Regular Hours (4/5ths vote required).

BACKGROUND:

Padmakumar Nagarajan is a senior software developer with 13 years of experience in developing and supporting the County Controller's Property Tax System. His extensive knowledge of the Property Tax System applications, database and institutional knowledge of the property tax business processes have made Mr. Nagarajan invaluable to making the necessary system changes required to respond to changes in property tax law. For FY 2012-13, the Controller's Office engaged Mr. Nagarajan to provide software development and support services from July 2, 2012 through December 31, 2012 in an amount not to exceed \$83,200 and later amended the term of the agreement to February 28, 2013.

On February 1, 2012, California Assembly Bill X1 26 (ABX1 26) dissolved all California redevelopment agencies (RDAs) and imposed new requirements on county controllers. The Controller's Office contracted with KMA on March 30, 2012 for \$50,500 to complete some of the new County Controller requirements related to RDA dissolution. KMA is a financial and real estate advisory firm that has been involved with California RDAs for nearly 40 years. The term of the agreement was initially through June 1, 2012. Three subsequent change orders increased the contract amount by \$46,000 and extended the term to June 30, 2013.

DISCUSSION:

The Controller's Property Tax Division has experienced a significant and ongoing increase in workload due to the recent changes in property tax law pursuant to AB X1 26, and the effects of the economic recession. The decline in real property values has resulted in an increase in the number of refunds that must be processed. Modifications to the current property tax system will alleviate the backlog and result in ongoing efficiencies.

Additional contracted services from Padmakumar Nagarajan as well as additional Information Systems Department (ISD) support services are needed to make property tax system modifications and develop new processes in order to comply with these statutory mandates. KMA is required to assist with mandated changes to the way RDA pass-through agreements are now handled to maintain compliance with ABX1 26. All services are required for the remainder of the fiscal year. Both contracts retain the same rates as the original contracts.

County Counsel has reviewed and approved the Resolution and amendments as to form.

Risk Management has reviewed and approved Contractors' compliance with County insurance requirements.

These amendments contribute to the Shared Vision 2025 for a Collaborative Community by providing services that benefit other County departments such as the Treasurer-Tax Collector-Revenue Services, and Assessor. It is anticipated that 100%

of tax refunds will be issued correctly and 100% of customer survey respondents will rate property tax services good or better.

PERFORMANCE MEASURE(S):

Measure	FY 2011-12 Actual	FY 2012-13 Projected
Percent of tax refunds issued correctly	100%	100%
Percent of customer survey respondents rating property tax services good or better	100%	100%

FISCAL IMPACT:

The ATR in the amount of \$557,984 will provide the funding needed for the Controller's Office to comply with statutory requirements and facilitate meeting its obligations and objectives. Of this amount, \$140,000 will come from Non-Departmental ERAF Reserves; the remaining balance of \$417,984 will come from Unanticipated Revenues and a transfer of funds within the Controller's budget unit.