REQUEST FOR BOARD ACTION

HENDERSON COUNTY
BOARD OF COMMISSIONERS

MEETING DATE: July 19, 2017

SUBJECT: Tax Department Software Update

PRESENTER: Darlene Burgess, Tax Administrator

ATTACHMENTS: Yes
                              1. Presentation

SUMMARY OF REQUEST:

At the April 3, May 1, and June 5th meetings, the Tax Administrator provided the Board with an update on issues with the tax software package, the North Carolina Property Tax System (NCPTS). Farragut is the vendor that provides ongoing implementation and support services to users of the system. Based on the issues brought forward at those meetings, the Board requested monthly updates on the system.

BOARD ACTION REQUESTED:

No Board Action requested, this item is for information only.

      Suggested Motion(s):

      No motion suggested.

TAX DEPARTMENT SOFTWARE UPDATE

July 19, 2017

Presented by:
Darlene Burgess
Henderson County Tax Administrator

DURING ITS JUNE 5, 2017 MEETING, THE BOARD REQUESTED MONTHLY UPDATES ON ISSUES CONCERNING THE TAX DEPARTMENT'S NEW DENALI CAMA SYSTEM
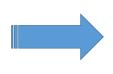
WHAT TYPES OF ISSUES ARE WE EXPERIENCING?

- ➢ Issues are categorized as "Critical", "Major" or "Minor"
  - ➢ "**Critical**" issues materially impede the operation of the entire software or major portions of the County's business operations and a workaround* is not available
  - ➢ "**Major**" issues have a substantial impact on business processes and a workaround* is available or the function can be completed on a limited basis
  - ➢ "**Minor**" issues have a minor impact on business processes or may be enhancement requests
    A "workaround" is a temporary way to circumvent a software issue until a permanent fix is implemented.

- ➢ The root cause of issues are categorized as "Data", "System Defects" or "Enhancement Requests"
  - ➢ "**Data**" issues indicate that data cleanup is required. The issues are due to data migration, user error, incorrect workflow or system defects. Farragut addresses these issues weekly based on priority.
  - ➢ "**System Defect**" issues mean that the system is not functioning the way it was designed. Farragut evaluates system defect issues daily based on severity and resolves them via periodic releases.
  - ➢ "**Enhancement Requests**" consist of features not included in Denali. Farragut addresses enhancements using a systematic process that includes an approval process.

WHAT TYPES OF ISSUES ARE WE EXPERIENCING?

The following tables depict the number, category and type of issues we're currently encountering

MAY 30, 2017	
CATEGORY	**NUMBER OF ISSUES**
CRITICAL	14
MAJOR	48
MINOR	22
TOTAL	84

JULY 10, 2017	
CATEGORY	**NUMBER OF ISSUES**
CRITICAL	20
MAJOR	45
MINOR	21
TOTAL	86

BREAKDOWN OF JULY 10, 2017 ISSUES			
CATEGORY	**DATA ISSUES**	**SYSTEM DEFECTS**	**ENHANCEMENT REQUESTS**	**TOTAL**
Critical	2	16	2	20
Major	3	32	10	45
Minor	1	6	14	21
TOTAL	**6**	**54**	**26**	**86**

7/13/2017

WHAT TYPES OF ISSUES ARE WE EXPERIENCING?

Since our last report, many issues have been resolved. Likewise, more issues have been reported as we move forward in using the system to perform our daily tasks. The table below depicts the number of issues that have been resolved since our last report and the number of new issues that have been discovered since our last report.

NEW AND RESOLVED ISSUES SINCE JUNE 5, 2017	
	NUMBER OF ISSUES
NEW ISSUES	13
RESOLVED ISSUES	8

UNTIL RESOLVED, CRITICAL ISSUES WILL AFFECT OPERATIONS

As of July 10, there are 20 pending issues classified as critical. The table below depicts five examples of the types of issues that are and will continue to affect our operations until a resolution is implemented. Several of these issues affect other County agencies and area professionals (attorneys, realtors, etc.) that rely on the accuracy of data displayed on our website.

EXAMPLES OF ISSUES THAT CRITICALLY IMPEDE COUNTY OPERATIONS	
TICKET #	DESCRIPTION OF ISSUE
11714	Newly-taken photos are displayed on prior year records
13703	There are incorrect deferred and taxable values on some historic properties that qualify for deferment (Farragut has posted a proposed solution that is being tested by staff)
13904	Owner history is incorrect on Public Web Access (website) (Farragut has posted a proposed solution that is being tested by staff)
10985	Changes made in Denali do not move forward to the Denali Reappraisal Record (A solution is currently being tested by Farragut)
13241	Cannot process parcels having present use value deferment that have been split into more than one parcel

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REAPPRAISAL TASKS THAT ARE DEPENDENT ON A CAMA SYSTEM

The following slide displays tasks that are dependent on a functioning CAMA system in order to achieve a successful 2019 Reappraisal. Next to the tasks is a symbol that represents whether or not our CAMA system in its current state can perform the tasks. The following table defines the symbols.

SYMBOL	WHAT IT MEANS
?	Tax Department Staff is unsure if the system will facilitate the task successfully at this time. Reasons are because (1) we have not actually been through a cycle using the system; and/or (2) we have not had opportunity to thoroughly test the system because of other system issues that need to be resolved in order to move forward.
✔	Tax Department Staff can accomplish the task using the system without issue.
✖	Tax Department Staff is not able to accomplish the task using the system. Reasons are because (1) task has been attempted and system is not working properly; or (2) this function is not yet available in the system.

REAPPRAISAL TASKS THAT ARE DEPENDENT ON A CAMA SYSTEM

TASKS DEPENDENT ON A CAMA SYSTEM	SCHEDULED DATE TO BEGIN TASK	JUNE 5 2017 PROGRESS	JULY 10 2017 PROGRESS
2017 Value Change Notices	March, 2017	✔	✔
Land Size Adjustments (FUNCTION IS BEING TESTED)	June, 2017	✔	✔
Land Pricing (FUNCTION IS BEING TESTED)	June, 2017	?	?
Generation of Annual Tax Bills (FUNCTION IS BEING TESTED)	July, 2017	?	?
Neighborhood Delineation (FUNCTION IS BEING TESTED)	July, 2017	?	?
GIS Market Area Maps	July, 2017	✔	✔
Field Data Entry	Ongoing	✔	✔
Build & Load Commercial Rates and Income Models	August, 2017	?	?
Update Building Rates & Tables	November 2017	?	?
Commercial Review & Valuation	March, 2018	?	?
Review of Ratios & Values by Market Area	Ongoing	?	?
Mass Valuation of Market Areas	Ongoing	?	?
Ability to Query Data to identify Outliers	Ongoing	?	?
Data Validation & Corrections	Ongoing	?	?
Reappraisal Notices Mailed	March 2019	?	?
Appeal Administration	March 2019	✖	✖

WHAT PROGRESS HAS THE TAX DEPARTMENT MADE SINCE MAY 1, 2017?

At the Board's June 5, 2017 meeting, a list of steps to be taken by the Tax Department was provided. The table below depicts progress made thus far.

WHAT STEPS HAS THE TAX DEPARTMENT TAKEN?	REPORTED PROGRESS: JUNE 5, 2017	PROGRESS SINCE JUNE 5, 2017
Reallocation of Staff to ensure adequate Reappraisal staffing	➢ 2 Appraiser I positions have been advertised ➢ Plans to centralize data entry have been established ➢ Contingency plans for additional data entry staff have been established	➢ Appraiser I positions are close to being filled ➢ Data entry has been centralized within Appraisal ➢ Staff that will serve as data entry backup personnel are being trained
Mandatory participation in training provided by Farragut	➢ Training needs identified by each individual staff member ➢ Initial training conducted May 24, 2017 ➢ 2nd training session conducted May 31, 2017 ➢ One-on-one training conducted as needed	➢ Training has been conducted ➢ Additional training will be scheduled as needed ➢ Periodic webinars are conducted and attended by supervisory staff
Tax Department Administration will present a Reappraisal Plan in the near future	➢ Reappraisal Plan is 60% complete ➢ When Plan is in final form and has been reviewed by Tax Department staff, County Management and the Department of Revenue, it will be presented to Commissioners	➢ Reappraisal Plan is 100% complete ➢ Plan has been reviewed by County Management, DOR and Farragut. ➢ Appraisers' field review began on July 3

WHAT CONCERNS DO WE HAVE AT THIS POINT?

➢ Many Reappraisal tasks dependent on an adequate CAMA system have not been tested in Denali. Many tasks tested by Farragut thus far proved to be operating improperly, but were subsequently repaired. Data and Application fixes are time consuming to analyze, test and implement.

➢ Continued support by Farragut is necessary to accomplish a successful Reappraisal. Support should be timely and sufficiently thorough in order to not interfere with workflow.

➢ Because the conversion to Denali has taken much longer than originally planned, we are behind schedule with regard to tasks required for a successful Reappraisal.

WHAT ARE OUR OPTIONS?

OPTION A:	➢ Continue to work with our software vendor, Farragut, on a fast-track basis and in an intensive manner to resolve all issues and receive ongoing Reappraisal support. ➢ Provide periodic progress reports to the Board and County Management. ➢ If targeted completion dates are not met for reappraisal tasks in enough time to sufficiently complete Reappraisal tasks, revisit the issue. ➢ If the issue must be revisited, ramifications affecting the 2019 Reappraisal must be considered.
OPTION B:	Consider a change in vendors immediately, and include consideration of ramifications resulting from a vendor change at this point in time.

QUESTIONS?