

**Sierra County  
Board of Supervisors'  
Agenda Transmittal &  
Record of Proceedings**

<b>MEETING DATE:</b> March 5, 2019	<b>TYPE OF AGENDA ITEM:</b> <input checked="" type="checkbox"/> Regular <input type="checkbox"/> Timed <input type="checkbox"/> Consent
---------------------------------------	---

<b>DEPARTMENT:</b> Assessor <b>APPROVING PARTY:</b> Laura A. Marshall <b>PHONE NUMBER:</b> 530-289-3283
---

**AGENDA ITEM:** Approval of Memorandum of Understanding between Sierra County and Alpine County to share Agreements for Megabyte Property Tax System services

**SUPPORTIVE DOCUMENTS ATTACHED:**  Memo  Resolution  Agreement  Other  
Memorandum of Understanding

**BACKGROUND INFORMATION:** Sharon Zachte, owner of Megabyte Property Tax Systems, is allowing Sierra County to add Alpine County to Sierra County Agreements 2017-134 (perpetual license) and 2017-135 (annual maintenance). Being Sierra and Alpine are small counties they will treat us as a single entity allowing Sierra to share the cost of the software with Alpine. The Sierra IT Department will work with Megabyte engineers to set up a server instance for the Alpine database. This MOU is before the Board to discuss the timing of payments from Alpine County to Sierra County for their 30% share of the Agreements. This MOU will save Sierra County taxpayers \$179,643 in licensing/conversion fees and provide \$28,290.48 annually to cover maintenance fees--a 2% CPI will be applied annually as per Agreement.

**FUNDING SOURCE:** No FUNDING REQUIRED--SIERRA WILL RECEIVE PAYMENT ANNUALLY FROM ALPINE COUNTY  
**GENERAL FUND IMPACT:** No Additional General Fund Impact  
**OTHER FUND:**  
**AMOUNT:** \$ N/A

<b>ARE ADDITIONAL PERSONNEL REQUIRED?</b>  <input type="checkbox"/> Yes, -- -- <input checked="" type="checkbox"/> No	<b>IS THIS ITEM ALLOCATED IN THE BUDGET?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No  <b>IS A BUDGET TRANSFER REQUIRED?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
--	--

**SPACE BELOW FOR CLERK'S USE**

<b>BOARD ACTION:</b> <input type="checkbox"/> Approved <input type="checkbox"/> Approved as amended <input type="checkbox"/> Adopted <input type="checkbox"/> Adopted as amended <input type="checkbox"/> Denied <input type="checkbox"/> Other <input type="checkbox"/> No Action Taken	<input type="checkbox"/> Set public hearing For: _____ <input type="checkbox"/> Direction to: _____ <input type="checkbox"/> Referred to: _____ <input type="checkbox"/> Continued to: _____ <input type="checkbox"/> Authorization given to: _____	Resolution 2018- _____ Agreement 2018- _____ Ordinance _____ Vote: Ayes: Noes: Abstain: Absent: <input type="checkbox"/> By Consensus
---	---	---

**COMMENTS:**

---

---

---

---

---

\_\_\_\_\_  
CLERK TO THE BOARD

\_\_\_\_\_  
DATE

**MEMORANDUM OF UNDERSTANDING  
BETWEEN SIERRA COUNTY ASSESSOR AND ALPINE COUNTY ASSESSOR**

This Memorandum of Understanding (“MOU”) is made and entered into between the Sierra County Assessor (Sierra) and the Alpine County Assessor (Alpine) on behalf their respective counties (Parties).

- a. Sierra has executed an agreement to obtain the Megabyte Systems for property tax within the County of Sierra; and
- b. Alpine desires to use the Megabyte Systems for property tax purposes in the County of Alpine; and
- c. Cost sharing between the counties will benefit both counties by lowering the cost of the property tax program to each county; and
- d. Based on agreed calculations, Alpine shall bear thirty (30) percent of the Megabyte System cost and Sierra shall bear seventy (70) percent of the Megabyte System cost.

**NOW THEREFORE**, the parties hereto agree as follows:

I. Sierra County Shall:

- a. Act as the primary contracting party for the Megabyte System Agreement.
- b. Be the contact party for all interactions between Megabyte Systems and the Parties.
- c. Provide hardware/software, including any necessary virtual servers, licensing and hard drives or any other device or software needed for Alpine County Megabyte System to operate on Sierra County network servers.
- d. Provide for maintenance and necessary upgrades to preserve Alpine County’s access to the Sierra County network servers.
- e. Pay any up-front costs for hardware/software to support Alpine County’s Megabyte System on the Sierra County network servers, subject to the prior approval of Alpine County.
- f. Maintain all records of approved purchases on behalf of the Alpine County Megabyte System usage.
- g. Assist in obtaining Megabyte training for Alpine County staff.

h. Pay seventy percent (70%) of the Agreement costs.

II. Alpine County Shall:

- a. Pay to Sierra County a sum equal to thirty percent (30%) of the Megabyte System Agreement cost.
- b. Reimburse Sierra County upon the presentation of an invoice for any additional approved costs advanced by Sierra County to support purchases of hardware/software as provided in section I.e. above.
- c. Approval of purchases by Sierra County shall be in writing executed by the Alpine County Purchasing Agent.
- d. Ensure the existence of an adequate system firewall to protect data submitted through VPN.
- e. Reimburse Sierra County for Sierra County and Megabyte technician costs on a time and material basis.

III. The Parties Shall:

- a. Establish a Virtual Private Network (VPN) allowing for the transfer of Megabyte System data.
- b. Enter into a VPN agreement on a form provided by Sierra County which shall identify all personnel having access to the VPN for each county.
- c. Acknowledge that transmission of data via the VPN is subject to interruption due to internet outages beyond the control of Sierra County and the Parties agree that Sierra County shall be held harmless for such outages or temporary interruption of VPN service.
- d. Meet and confer regarding computer network resources of each county to ensure protection of county systems and operation.

IV. Calculations:

The percentages of contribution to the Megabyte System Agreement are based on the calculations contained herein. The Parties agree that the calculations are accurate.

1. Sierra/Megabyte Agreement 2017-134, Perpetual Licensing: \$650,000 (\$7,738.09/month)

2. Sierra/Megabyte Agreement 2017-135, Annual Maintenance: \$92,452.56 (\$7,704.38/month)
3. Sierra Parcels Converted:  $5,437 + 1,594 = 7,031$ ; Alpine Parcels Converted:  $2,483 + 261 = 2,744$ , Total 9,755.
4.  $7,031 / 9,744 = 72\%$  of costs;  $2,744 / 9,744 = 28\%$  of costs.
5. The Parties will round the costs to seventy percent (70%) obligation of Sierra County and thirty percent (30%) obligation of Alpine County in recognition of Sierra's costs and time negotiating with Megabyte Systems and the time necessary to initiate agreements.
6. Total Agreement price for this MOU is calculated at  $\$650,000 - \$92,857 = \$557,143$  (Cost is calculated by subtracting the first year of Sierra County's licensing contract.)
7. Breakdown:
  - a. License Cost Breakdown
    - i.  $\$557,143 * 70\% = \$390,000$
    - ii.  $\$557,143 * 30\% = \$167,143$
  - b. Annual Maintenance Breakdown (subject to annual CPI Adjustment)
    - i. \$92,452.56 annually (before CPI for the Pacific Cities and U.S. Cities Average is applied annually over the term of Agreement 2017-135, Exhibit B)
    - ii.  $\$92,452.56 * 70\% = \$64,716.79$ ;  $\$92,452.56 * 30\% = \$27,735.77$
    - iii. The 30% of costs attributable to Alpine County is based on actual parcel count plus 2% for administration fees.
  - c. Conversion Cost Breakdown:

The actual conversion was not part of the financed cost—Sierra paid \$25,000 for conversion. Due to each County's unique coding, Sierra and Alpine shall share equally in the conversion costs;

    - i.  $\$25,000 / 2 = \$12,500$  each county

## 8. Summary

Alpine County costs equal \$167,143 for perpetual licensing (until fully paid); \$27,735.77 for annual maintenance during the lifetime of the Agreement.

Sierra County costs equal \$390,000 for perpetual licensing (until fully paid); \$64,716 for annual maintenance during the lifetime of the Agreement.

Each County shall pay \$12,500 for conversion.

## 9. Payments

Alpine shall pay the \$12,500 conversion cost and any up-front costs for hardware/software, estimated to cost no more than \$5,000, to Sierra no later than July 31, 2019.

Alpine shall begin payment of the monthly perpetual license fee to Sierra no later than July 31, 2019.

Alpine shall begin payment of Maintenance Fees to Sierra 30-days after Megabyte 'Go-Live' date.

## V. General Provisions:

- a. This agreement shall commence on the first day following full execution of this agreement.
- b. In recognition of the financial effect of withdrawal on Sierra County, Alpine County shall give notice to Sierra County of its intent to withdraw 60 days before beginning the process of termination. Upon said notice, both parties shall meet and confer regarding the termination terms and conditions. Only upon the execution of a termination agreement may Alpine County withdraw.
- c. Sierra County shall meet and confer in good faith and shall not unreasonably delay Alpine County's withdrawal. Sierra County may terminate this agreement upon 60 days written notice.
- d. Notices to the parties hereunder shall be delivered to the respective Assessor.
- e. This MOU may be modified only by written amendment signed by both parties.

## VI. Indemnification:

Counties agree to indemnify, defend at its own expense, and hold the other County harmless from any and all liabilities, claims, losses, damages, or expenses, including reasonable attorney's fees, arising from all acts or omissions to act of said County or its officers, agents, or employees in rendering services under this contract; excluding, however, such liabilities, claims, losses, damages, or expenses arising from other County's sole negligence or willful acts.

**IN WITNESS WHEREOF** the parties hereto have caused their dually authorized representatives to execute the Memorandum of Understanding:

\_\_\_\_\_  
Paul Roen, Chairman  
Sierra County Board of Supervisors

\_\_\_\_\_  
Date

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Heather Foster  
Clerk of the Board

\_\_\_\_\_  
David Prentice  
County Counsel

\_\_\_\_\_  
David Griffith, Chairman  
Alpine County Board of Supervisors

\_\_\_\_\_  
Date