

Bond Funded Projects

Joint Committee on Ways & Means
Subcommittee on Capital Construction

May 8, 2015



Core Systems Replacement Project

- Business Case
 - Avoid risk and improve performance.
 - Commercial off-the-shelf solution (COTS)—most viable.



- Execution
 - Implement GenTax integrated tax system & data warehouse.
 - Replaces two-thirds of our core systems.
 - Estimated cost: \$81 million (bonds and General Fund).
 - \$65 million implementation costs.
 - \$9 million finance cost; \$7 million readiness.



Core Systems Replacement Project

CSR project costs (in millions), as of December 2014

	2009–13	2013–15	2015–17*	2017–19	Totals
DOR contribution					
Ongoing agency operating costs	\$7.3	\$0.7	\$0.9	\$0.3	\$9.1
General Fund					
Non-bond eligible general services/supplies		\$0.2	\$0.2	\$0.1	\$0.5
Project costs		\$1.8	\$4.2	\$1.5	\$7.5
Total General Fund		\$2.0	\$4.4	\$1.6	\$8.0
Other Funds (bonds)					
Debt financed project costs		\$18.9	\$26.3	\$9.1	\$54.7
Project totals (excluding debt service)	\$7.3	\$21.6	\$31.6	\$10.9	\$71.8

Note: Component figures may not total accurately due to rounding.

**Governor's Budget*



Bond Funding

Biennium of issue	Bond issuance	Bond sale date	Bond-eligible project costs	Final maturity
2013–15	1	October 2013	\$13,534,491	November 2020
2013–15	2	May 2014	\$10,694,327	May 2021
2013–15	3	March 2015	\$2,300,000	May 2022
2015–17	4	October 2015	\$8,000,000	November 2022
2015–17	5	May 2016	\$12,000,000	May 2023
2017–19	6	October 2017	\$8,396,676	November 2024
			\$54,925,494	

Cost based on May 2014 estimates



Property Valuation System

- Industrial Program
 - February 1 to June 30 (processing season).
 - Excel, paper files, and database.
 - Lack of integration, data analysis, or stability.
- Central Assessment
 - March 1 to August 25 (appraisal season).
 - Excel and paper files.
 - Lack of integration, data analysis, or stability.



Property Valuation System

- Integrate appraisal technology.
- More broadly and equally employ appraisal industry-standards.
- Improve customer service.
- Promote higher degrees of confidence in Real Market Value outputs.
- Provide a stable, long-term Information Technology platform.
- Increase the time available to focus on the appraisal process itself.

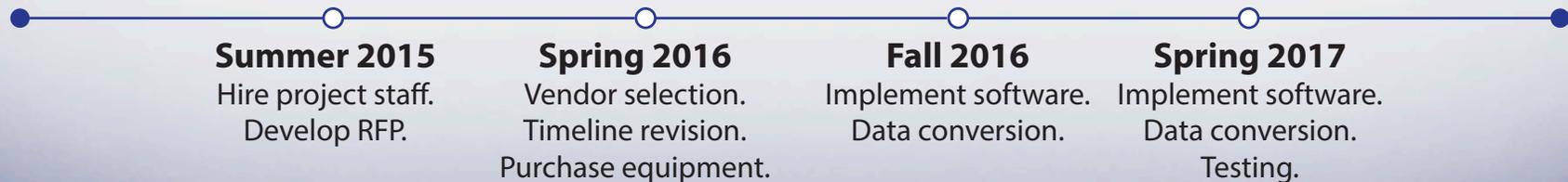


Property Valuation System

	2015	2016	2017	2018	Total cost
Software	\$1,000,000	\$500,000	\$150,000	\$150,000	\$1,800,000
Staff	\$312,000	\$326,000	\$340,000	\$354,000	\$1,332,000
Hardware	\$50,000				\$50,000
Quality assurance	\$75,000	\$75,000			\$150,000
Total	\$1,437,000	\$901,000	\$490,000	\$504,000	\$3,332,000

Note: Component figures may not total accurately due to rounding.

2015-17 Biennium



Bond Funding

Biennium of issue	Bond issuance	Bond sale date	Bond-eligible project costs	Final maturity
2015–17	1	May 2016	\$2,338,318	May 2023
2017–19	2	October 2017	\$993,995	November 2024
			\$3,332,313	

Project cost based on 2014 estimates



Questions?

If you have additional questions after today please contact:

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