

North Carolina property tax solution 2020 - 2021 Annual Report

ncpts

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Perspectives on NCPTS

The North Carolina Association of County Commissioners (NCACC) makes the North Carolina Property Tax Solution (NCPTS) available to all counties to help optimize the property tax process, leading to greater consistency in appraisals and higher collection rates. NCPTS represents an opportunity for counties to learn from each other and share in the cost of such a robust and effective system.

The program has continuously evolved since its creation many years ago and represents a unique approach to the property tax process. The approach is rooted in collaboration between and among counties, facilitated by NCACC and supported by Farragut. It is county-informed, county-built and county-driven and it's more than software or a system, it's a full-service solution for counties.

The 20 NCPTS members benefit from best practice sharing among member counties, which represent over 50% of North Carolina's property tax base: Beaufort, Buncombe, Burke, Catawba, Cumberland, Durham, Forsyth, Guilford, Harnett, Henderson, Hertford, Hyde, Madison, Mecklenburg, Orange, Pitt, Randolph, Rutherford, Stokes and Wayne. The key to this program is the county employees who are not only the users of the system but are also the designers, decision makers, and guides for this program year after year. The NCACC would like to thank each member county and their staff for making this program the best property tax system in North Carolina.

As the Executive Director for the NCACC, I am excited about being a part of the first NCPTS Annual Report. We at the NCACC are fully dedicated to this program and believe it is the best solution for counties in need of new property tax software. Our goal is to grow the service by adding more counties each year. It is also our goal to continue to have transparency in the program and this annual report is part of that transparency.



Kevin Leonard
Executive Director
NCACC



Shail Jain
CEO
Farragut Systems, Inc.

Farragut is excited to be a partner with the NCACC and the counties in the NCPTS program. We are committed to helping make NCPTS the best property tax system possible and our staff is dedicated to the vision and goals of the NCPTS counties.

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What is NCPTS?

A collaborative, county-led solution

With a foundational understanding of the power that direct county involvement has, as well as a strategic employment of the talent, experience, and perspectives from county leaders across the state, the North Carolina Property Tax Solution takes a unique approach to optimizing tax administration. In combining three key factors, the underlying strength that makes NCPTS successful shapes up to be a tripod of partnership. The three essential pieces include the collective knowledge and lessons learned by participating counties, the resources and partnerships facilitated by the NCACC, and the technological solutions made possible by Farragut Systems, Inc. The solution's early development took the form of a partnership between Wake County and Farragut in the 1990's, and evolved into a shared system in the early 2000's with Wayne County becoming the first to implement the system in its current form. Today, this three-sided collaboration operates to provide an advantage in the task of maximizing revenue and implementing best practices for member counties.

Operating on the front lines of property tax administration, the input and guidance provided by county users of NCPTS are vital to ensuring the efficacy of the solution. Instead of county staff being required to adapt their business practices to the framework of products designed with a priority on the view of software developers, NCPTS flips the script and factors in the needs of users based on firsthand feedback from county leaders. This principle is ensured and put into practice through the various committees made up of county staff members that guide the direction of the property tax solution.

For its part, the NCACC vision of empowering counties in a collaborative manner for the betterment of the state is made concrete through its involvement in NCPTS. In the Association's unique ability to connect North Carolina's counties to opportunities with entities outside of the realm of county government, there is an expanded potential for the principles of good government to take hold through a consistent and structured application of property tax law. With the collaborative setting that NCPTS provides, the NCACC is able to serve its members' best interests while building a fruitful and thriving partnership with a top-notch private vendor for the betterment of all involved.

What is NCPTS?

From the technical aspect, this innovative solution is built on the inventive building blocks put in place by Farragut, a North Carolina-based software solution company. NCPTS has the capacity to be the pioneering and effective choice of property tax administration that it is due in great part to the framework and ongoing development that Farragut provides. In translating the challenges, processes, aspirations, and intentions of county property tax professionals into a software interface, Farragut plays a crucial part in positioning NCPTS as a uniquely impactful option in the realm of tax administration software.

Carrying a vision to be more of a resource than a product, and more of a community than a customer base, NCPTS presents a dynamic opportunity for counties to transform the way they conduct property tax management. This arrangement, as detailed in the following pages of this report, is unified by a spirit of continual improvement and a goal of efficient and equitable property tax collections. The resulting partnership of member counties, NCACC, and Farragut makes for a solution that has not only provided results in revenue, but also maintains a forward-looking spirit that is primed to innovate.

Vision and Core Values

NCPTS is the most highly desired property tax program in North Carolina

Benefits to Stakeholders: Our citizens enjoy best in class security, communication, and service from us through our shared efforts to mold NCPTS into the property tax program they deserve. NCPTS is known as the standard for consistency and accuracy and The NC Department of Revenue looks to us for reliable data. Our Legislators know we can provide them with pertinent and valuable information, and they make decisions based on our data with confidence. Our Boards of Commissioners and County Managers budget and plan with confidence knowing that NCPTS counties have the best run property tax programs in the state.

Community: Our success has come from leveraging our unique strengths and perspectives to move the NCPTS program forward together. We are proud of the best practices we have woven into the software and always seek to incorporate the experience and wisdom of top tax professionals across the state into our practices and designs. We build on the legacy of NCPTS pioneers who believed our citizens deserved a better program and took the risks necessary to make it happen. Every NCPTS county has successfully completed each and every annual billing, annual listing, reappraisal and implementation and we all work together to ensure the program and its members, large and small, are wildly successful.

Software: Our NCPTS software is an easy to use, integrated system where data flows seamlessly throughout every component providing us with unparalleled consistency and accuracy. Our Tax Administrators, Assessors, and Collectors administer their property tax programs according to NC statutes unhindered by compromises and non-compliant designs. Ever at the forefront of technology and innovation we are effective and efficient in our work and enjoy the most advanced capabilities. We continually adapt our software to remain successful in the changing technology landscape so it is the best program in the state now and will still be so thirty years from now.

Core Values

- **Autonomy** - We can do the work we need to do on our own without depending on outside support to make processes work.
- **Consistency** - We apply NC statutes equitably and consistently to all taxpayers regardless of what county or jurisdiction their property is located in.
- **Data** - The data we create is accurate, reliable and trusted by our stakeholders. We own our data and have the ability to access and use it as needed to better serve our stakeholders.
- **Efficiency** - We can do what we need to do effectively with little or no unnecessary effort.
- **Mastery** - We understand our software and can use it effectively to maximize the service we provide to our stakeholders.

"We have evolved in to one of the most robust property tax systems on the market today. I ask myself, what sets us apart, and the answer can be summed up in one word: **collaboration.**

The heart of collaboration lies in our vested members: NCACC providing structural guidance, Oversight committee providing vision and financial guidance, User Group committees (counties) providing best practices and functionality guidance and Farragut providing technical guidance. As we navigate through our ever-changing world this foundation will provide a product that will **flourish and continue to evolve well into the future."**

Alan Lumpkin
Wayne County Tax Administrator
Chair of NCPTS Billing & Collections committee, 11/2017 - 11/2021

Oversight Committee Overview



Michael Taylor
Deputy County Manager/
Chief Information Officer
Pitt County

NCPTS is a unique collaborative that is a culmination of vision and support from many across a number of NC counties. The partnership between NCACC and Farragut, including the NCPTS Oversight Committee and User Groups, is stronger than ever and improvements are being realized every year. It has been a privilege to work alongside many devoted tax professionals to create a best-in-class solution.

Michael Taylor serves as the Chair for the NCPTS Oversight Committee and has experience with the property tax solution dating back to its inception. Pitt County, where Michael serves as Deputy County Manager/Chief Information Officer, has been a member county of NCPTS since 2006.

The NCPTS Oversight Committee manages software enhancements in conjunction with vendors by appropriating and utilizing pooled funds from North Carolina local governments. The committee conducts an annual pool fund review and planning session, which includes review of the pool fund balance policy.

All members of the Oversight Committee are appointed by the North Carolina Association of County Commissioners, which considers recommendations from member county managers or the acting Chairperson of the NCPTS Oversight Committee as appropriate, taking into account the amount of time member counties have utilized the NCPTS system. The term of each member county lasts for two years, and a member county may be appointed for an additional consecutive term.

Oversight Committee Member Roles

- Oversight Committee Chair
- Land Record and Computer Assisted Mass Appraisal (LR/CAMA) Committee Chair
- Billing and Collections Committee Chair
- Small County Representative: 0 to 50,000 pop.
- Medium County Representative: 50,001-100,000 pop.
- Large County representative: 100,001+ pop.
- Three At-Large Representatives

Oversight Committee Membership

November 2019–November 2020

OSC Chair	Mike Taylor	Pitt County
Land Records and CAMA (LR/CAMA)	John Burgiss	Forsyth County
Billing and Collections (B & C)	Alan Lumpkin	Wayne County
Small County	Bobby Parker	Beaufort County
Medium County	Danny Isenhour	Burke County
Large County	Ben Chavis	Guilford County
At-Large	Lori Mathes	Catawba County
At-Large	Debra Hill	Randolph County
At-Large	Amy Brantley	Henderson County

November 2020–November 2021

OSC Chair	Mike Taylor	Pitt County
Land Records and CAMA (LR/CAMA)	John Burgiss	Forsyth County
Billing and Collections (B & C)	Nancy Freeman	Orange County
Small County	Richard Brim	Stokes Count
Medium County	Danny Isenhour	Burke County
Large County	Ben Chavis	Guilford County
At-Large	Lori Mathes	Catawba County
At-Large	Joe Utley	Cumberland County
At-Large	Amy Brantley	Henderson County

User Groups Overview

The NCPTS Oversight Committee has established two user groups to handle the detail work of what enhancements need to be made to the system. These are the Billing and Collection User Group and the Land Record/CAMA User Group. The two user groups hold their respective meetings every week to discuss and vote on what changes and enhancements need to be made to NCPTS. Once a change or enhancement has been approved by the user group it is presented by the Chair of the group to the Oversight Committee for final approval. These User Groups are essential to the program and all NCPTS counties are actively involved and have a vote on what changes and enhancements are made to the system. The collaboration of the counties through this process is what makes NCPTS different than other systems. The users know best what they need and have control of the system through this process.

"As the new chair for the Billing and Collection User Group, I am excited to be a part of such a diverse, gifted, and driven group. Former chair Alan Lumpkin said it right: it is all about collaboration. I see the differences in the ways counties work, but I also see the common goals that we have. An immense amount of information sharing happens in the user group meetings. I am always amazed at the initiative and ingenuity of the county representatives and Farragut staff who participate in the user group. I also see wisdom and commitment of the Oversight Committee members. The members have provided gracious guidance to educate me on the goals of the committee. I am proud to be a part of this group that enthusiastically collaborates with Farragut to foster innovation of NCPTS products to represent the best of property tax systems available. I am honored and excited to continue working with all of you, and to the advancement we will experience together as we move forward."

Nancy Freeman
Orange County Tax Administrator
Chair of NCPTS Billing & Collection Committee

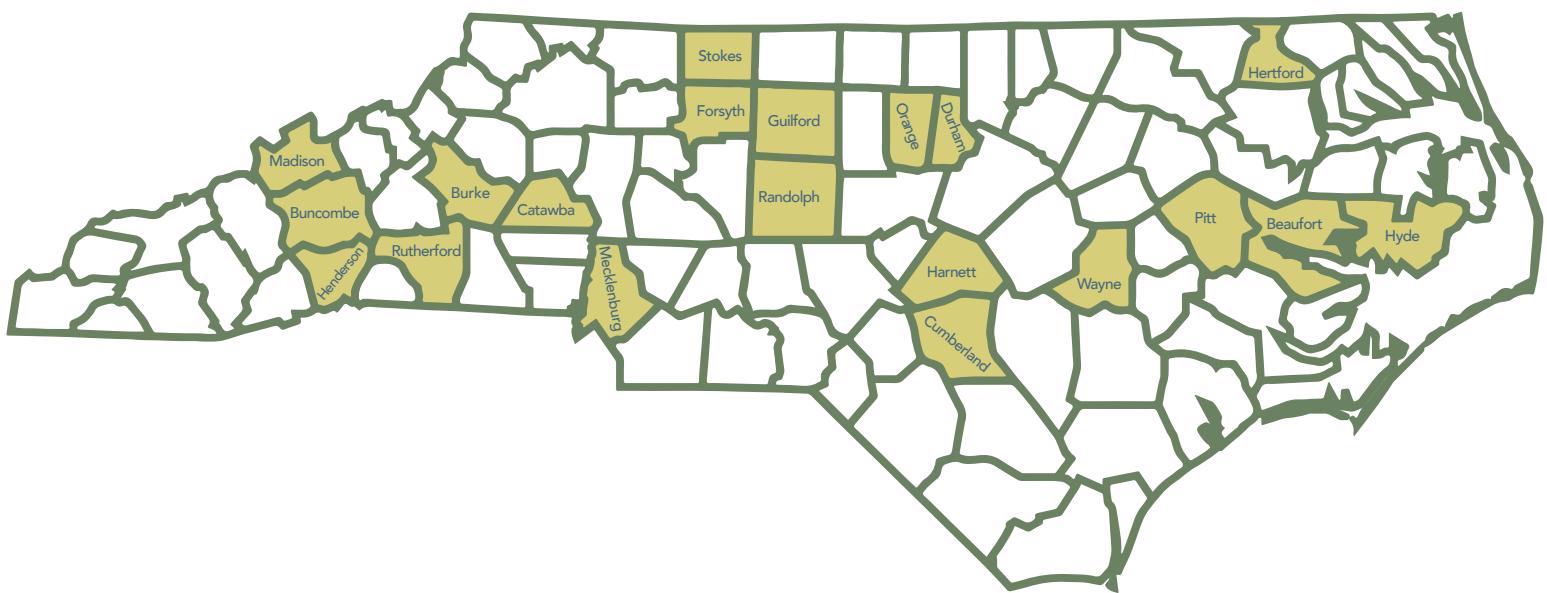
"I really applaud the organizational structure the NCACC has provided for the management of the NCPTS software suite. The LR/CAMA User Group and the SME groups are functioning well together and with Farragut staff. It is obvious that the group of counties works well together and supports each other - especially in times of county-wide reappraisals.

As the users guide the technical enhancements to NCPTS and the Oversight Committee provides the funding structure, overall direction, and provides funds for large future system re-writes, we are well positioned to meet the everchanging needs our quality tax work demands. We are also well positioned to become the desired choice for North Carolina's Tax Office needs. It has been a pleasure to serve as the LR/CAMA Committee Chair and I look forward to the future with NCPTS!"

John Burgiss
Forsyth County Tax Administrator
Chair of NCPTS Land Records/CAMA committee

Year in Review

The NCACC is excited to welcome our newest three counties that have joined the NCPTS family over the last two years. Cumberland County and Hertford County are both now operating the Billing and Collections and Land Records/CAMA systems. We are excited to have both these counties as part of the NCPTS membership and appreciate all they bring to the table. The NCACC is also excited to have Durham County as our most recent addition to the NCPTS program. Durham County is currently in the process of implementing the Billing and Collections and Land Records/CAMA systems. They should be live on both systems by early 2022. We look forward to having Durham County and its staff join us as we all work towards making NCPTS the best property tax system possible.



Year in Review

Enhancements

NCPTS is a scalable platform that is empowering some of the smallest counties in NC to be successful as well as some of the largest. Each year the counties, through the User Groups and Oversight Committee, decide on what enhancements and changes are needed to the system. The enhancements and changes are funded through the pool fund or directly by counties at times. Many of our counties like Mecklenburg County (our largest partner county), Forsyth County, Cumberland County, as well as others face some challenges that are unique to their scale, location, or type of properties. NCPTS provides a platform where our counties both small and large can request changes to the system that may be only needed by them and funded by them. In the last two fiscal years, 2019-20 and 2020-21, over a million dollars' worth of enhancements were funded directly by member counties. NCPTS counties can innovate at a pace that meets their workflow demands while also benefitting from the contribution and experiences of the rest of the member counties. As a result, other member counties benefit from any rapid innovation funded directly by member counties. This strong and mutually-beneficial partnership is just another example of the spirit of collaboration that has made NCPTS the exemplary property tax program it is today. All the enhancements, regardless of funding source, go through the same approval process.

Technical Improvement Fund Summary

Recognizing that the technology landscape is continually evolving with new technologies, new threats, and new opportunities, the Oversight Committee established a technical improvement budget. These funds are used to ensure the software remains current as underlying technology changes. Over the last two years the following items were addressed from this fund:

FY 2020 - \$96,097

- Updating the B&C application to support modern browsers
- Updating the B&C application's mass assignment feature
- Updating the B&C application to support .docx file format for templates

FY 2021 - \$36,871

- Restructuring batch job processes
- Creating JSON format file for online listing process
- Improvements to the live payment process for online payments

Annual User Group Executive Summary

Each year the Oversight Committee sets budget amounts for the user groups to allocate toward software improvements. The user groups then choose and prioritize the highest value changes to address. Farragut Product Owners partner with the user groups to define the changes and create software requirements for the development teams.

Billing and Collections User Group

FY 2020 - \$84,807 for 13 initiatives:

- 1 improvement to Receipt/Duplicate Receipts
- 1 improvement to the payment arrangement queue
- 2 improvements to the Special Bill Detail Report
- 1 improvement to PWA bill printing
- 2 improvements to the Online Listing process

FY 2021 - \$149,023 for 25 initiatives:

- 2 improvements to the online listing process
- 2 improvements to the Business Personal Property schedules
- 3 improvements to the process for managing tax relief
- 1 improvement to reflect use value on sales approach valued parcels
- 1 improvement to the TR-301 report

- 2 improvements to personal property management
- 1 improvement to the physical address validation process
- 2 improvements to Gross Receipts Bills
- 1 improvement to the Delinquent Queue

- 1 improvement to add the Query tool to B&C for abstract data
- 1 improvement to the End of Year process
- 1 improvement to the Standard Finance Utility
- 1 improvement to the check scanning process
- 12 improvements to the Image Cash Letter process to support new requirements from Banks

Land Records CAMA User Group

FY 2020 - \$151,614 for 22 initiatives:

- 1 improvement to auto assignment based on work type
- 11 items for creating new Query Tool
- 5 improvements to the WorkCenter Queues
- 1 improvement to income approach

- 1 improvement to allow PWA integration with Stokes Co. RoD.
- 2 improvements to the LRC public web site
- 1 added Field Review PRC for residential property

FY 2021 - \$162,000 for 28 initiatives:

- 24 improvements adding data to Query Tool
- 1 improvement to logging when valuing market areas
- 1 improvement to address land line management with use value

- 1 improvement to mass update stratification tool for market area data
- 1 improvement to the split/combine process

Financials

2020-21 NCPTS Budget

Carry Over Revenue From Fiscal Year 2019-20	\$105,101.40	Funds not spent in fiscal year 2019-20
Pool Fund Revenue Received Fiscal Year 2020-21	\$564,333.97	
Total Available to Budget for 2020-21	\$669,435.37	

New Budget for 2021-22

Strategic Initiative	(\$113,000.00)	Funds not spent in fiscal year 2019-20
Strategic Initiative	(\$100,000.00)	
Tech	(\$100,000.00)	
Billing and Collections (B & C)	(\$135,000.00)	
Land Records and CAMA (LR/CAMA)	(\$135,000.00)	
Revenue Remaining	\$86,435.37	
Minimum Reserve	\$300,000.00	Required by NCPTS by-laws
Total Not Budgeted or Encumbered	\$386,435.37	

“Thanks to all 20 of our counties and the hard work that takes place each week to improve the system and to reach our goals as a team. It is my personal honor and pleasure to be part of such a professional group of tax people and I enjoy working with all of you and I learn more all the time from each of you. It is encouraging to see the counties working together to make their system better and never accepting the status quo as good enough. Thanks to each of you!”

David Baker

NCACC Director of Tax and Revenue Outreach

2021-22 NCPTS Budget

Estimated Revenue Fiscal Year 2021-22	\$564,333.97	Based on actual revenue from 2020-21
Revenue Not Budgeted in 2020-21	\$86,435.37	Funds not spent in fiscal year 2020-21
Total Available to Budget for 2021-22	\$650,769.34	
Budget Adjustment for LR/CAMA	-\$10,800.00	Adjustments to budget for overage
Budget Adjustment for B/C	-\$14,023.00	Adjustments to budget for overage
Revenue Available for Budget After Adjustments	\$625,946.34	
Carry Over Revenue From Tech Funds	\$73,675.12	Funds not spent in fiscal year 2020-21
Carry Over Revenue From Strategic Initiative Funds	\$213,000.00	Funds not spent in fiscal year 2020-21
Total Carry Over to Strategic Initiative Funds	\$286,675.12	Total of funds not spent in fiscal year 2020-21
Total Amount Available for Budget	\$912,621.46	

New Budget for 2021-22

Strategic Initiative (Previously Called Long-Term IT)	(\$386,675.12)	Includes the \$286,675.12 of unspent funds from fiscal year 2020-21
Tech Funds	(\$100,000.00)	
Billing and Collections (B & C)	(\$175,000.00)	
Land Records and CAMA (LR/CAMA)	(\$175,000.00)	
Total New Budget Amounts for 2021-22	(\$836,675.12)	
Revenue Remaining	\$75,946.34	
Minimum Reserve	\$300,000.00	Required by NCPTS by-laws
Total Not Budgeted or Encumbered	\$375,946.34	

What's Ahead

Looking Ahead – Key Initiatives for FY 2023

One of the great strengths of the NCPTS program is the ability to respond and adapt to changes. Each year over \$500,000 is invested by the users in community defined and prioritized improvements that keep the program moving in step with the ever-changing business landscape.

Key initiatives that the NCPTS program will look to pursue in fiscal year 2023

1. Stakeholder value improvements

- Building up the Public Web Access experience for taxpayers

2. Community improvements

- Reducing time on process management
- Increasing participation of broader user group
- Improving knowledge retention and transfer within the community

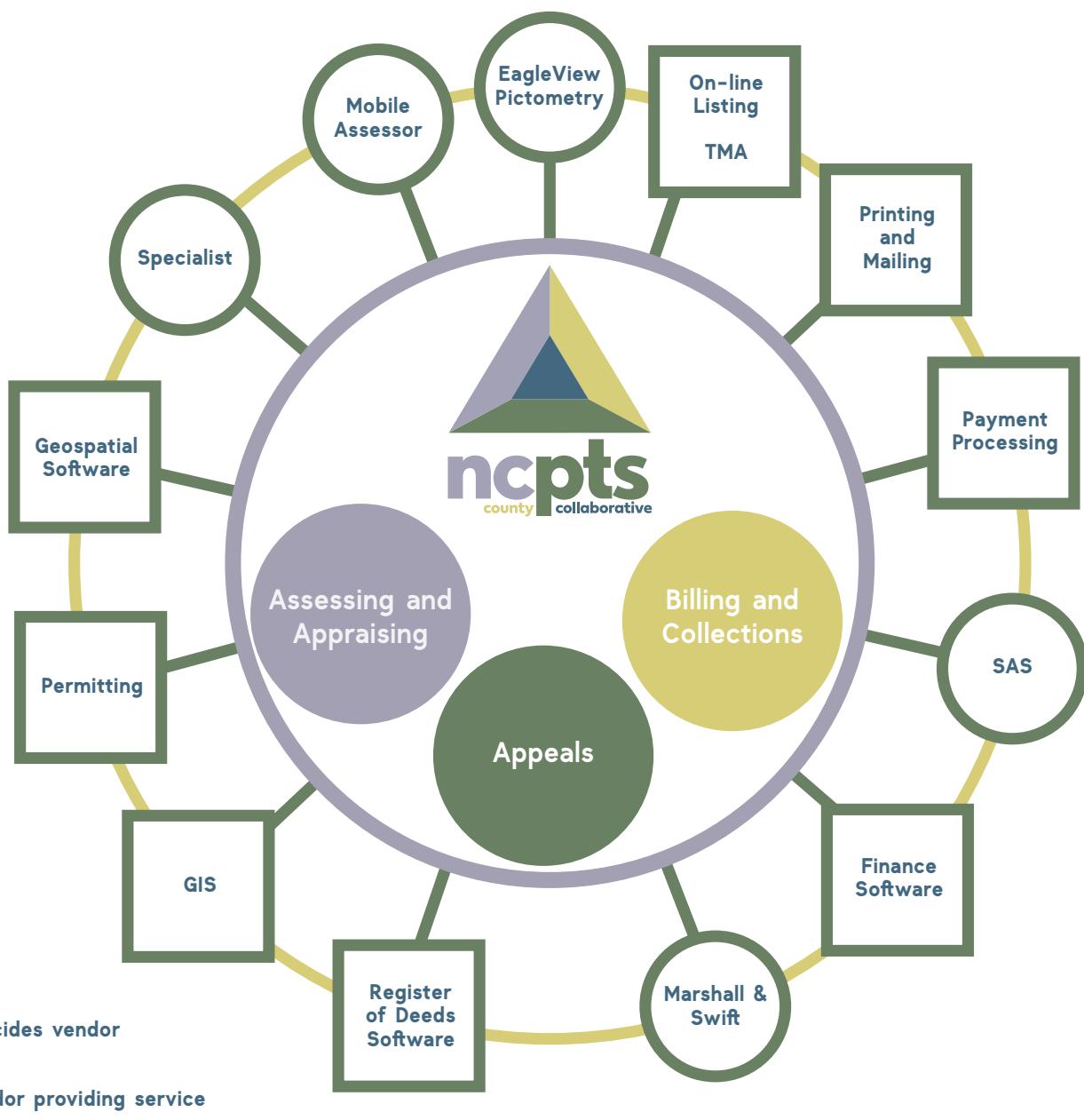
3. Software improvements

- Increasing the effectiveness of the reappraisal process
- Increasing management tools (such as dashboards, data insights, workflow monitoring)
- Improving shared data management

Land Records CAMA - Celebrating a history of innovation

In 2007 Henderson County completed the first reappraisal on the (then new) version 1 of NCPTS Land Records/CAMA. Built in partnership with Wake County, this groundbreaking CAMA system took an innovative system built to Wake's specifications and adapted its strengths to serve counties throughout NC. This version saw a stream of updates and changes through the years. Member counties brought improvements to refine the application while completing multiple successful reappraisals. NCPTS LRCAMA v1 continued in use by counties up until 2019 when Pitt County completed their migration to a new, re-imagined CAMA system built in collaboration with Forsyth County.

Bringing together the latest version of the NCPTS CAMA system and Forsyth's in-house developed system, this new CAMA software carries forward all the strengths of the original and extends those with new thinking and new technologies. Built from the ground up with a focus on equity and mass appraisal, NCPTS CAMA now boasts an effective date approach to record management and a perpetual workflow system that allows all parts of the tax office to continue working without waiting on other processes in the tax office to complete. The capstone of our Forsyth-NCACC collaboration was laid in December of 2020 when Forsyth successfully completed their reappraisal using the latest innovation, a new live integration with Marshall and Swift Valuation Platform Online for commercial properties. True to the spirit of "innovation for the benefit of all," the Forsyth County partnership has opened new doors of effectiveness and efficiency for every NC county. The latest version of NCPTS CAMA is currently in use at 13 counties and already has 10 successful reappraisals on the books.



Thank you, Jeff!



Jeff McDonald
VP, Local Government Solutions
Farragut

After 25 years serving in many different roles with the company including sales representative, account manager, director of operations, and his latest role as vice president, Jeff McDonald retires from Farragut in December 2021. As he moves on to become a trustee for Farragut and begins a new chapter in his life, he says “I make this transition with appreciation for remaining part of the Farragut family and will be watching eagerly as a new generation of adept, dedicated leaders take the reins.”



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