

## MEMORANDUM

To: City Council and James Gallup  
From: Bettina Chandler  
Date: January 16, 2025  
Subject: Purchase of NextGen Property Tax and Fixed Asset Software

Local Government Corporation (LGC) is the company Jefferson City's Finance Department uses for all financial software. LGC has progressively been updating the original FlexGen software to NextGen. To date, the finance department has converted Financial Management, Purchasing, Business License, and Utility software from FlexGen to NextGen. Property Tax and Fixed Assets software are the final two that need to be converted.

I received the attached letter from LGC today. It states they received notification that IBM has acquired the licenses and source code for FlexGen software development tools that LGC uses to support and maintain FlexGen products and that any support for those tools will end soon. Therefore, LGC will no longer be able to safely support and maintain their existing FlexGen software. LGC will be forced to end all support for FlexGen software as of June 30, 2026.

Many cities in Tennessee and Alabama use LGC for their government financial software. I spoke with Ryan Winstead and Steve Montgomery from LGC, and they said that many of these local governments have not converted any of their software from FlexGen to NextGen. This means that there will be a long list of customers requesting conversions, and the conversions are processed in the order received.

**This software conversion is necessary for our financial operations.** The software is in my department's five-year plan for FY 25-26. Therefore, I had already asked and received a quote from LGC on December 10, 2024, in preparation for the budget. The quote is as follows:

NextGen Property Tax Software	\$2,937.60
NextGen Fixed Asset Software	\$3,835.20
<b>Total Nextgen Software</b>	<b>\$6,772.80</b>
Annual Use & Remote Support Fee Property Tax	\$ 6,936.00
Annual Use & Remote Support Fee Fixed Assets	\$ 4,216.00
<b>Total Annual Use &amp; Remote Support Fee</b>	<b>\$11,152.00</b>

**NOTE:** Annual Use & Remote Support Fee is prorated from the date of installation through the end of the current fiscal year.

Because many cities have not converted any of their software from FlexGen to NextGen, and because this software is necessary for operations, I am respectfully requesting Council to consider one of the following so I can go ahead and order the software:

1. A budget amendment for the FY 24-25 in the amount of \$6,800.00 to purchase both Property Tax and Fixed Assets NextGen software. The annual total use and remote support fee of \$11,152.00 would be prorated from the date of installation to the end of the current fiscal year. If approved, I don't anticipate the conversion would be done until June so the estimated prorated cost would be \$1,000.00. **NOTE:** With this option the conversion is not guaranteed to be completed by June 30, 2025. There is always the contingency of an issue somewhere in the test conversion.
2. Council approve now for the FY 25-26 budget the purchase of both Property Tax and Fixed Assets NextGen software in the amount of \$7,500.00 and the annual total use and remote support fee of \$12,300.00. This would allow me to go ahead and place the order and put Jefferson City in line for the conversion. **NOTE:** These numbers include a 10% increase per the quote from December 10, 2024.



## LOCAL GOVERNMENT CORPORATION

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January 13, 2025

To all customers who use our FlexGen (FG) Software Products:

Earlier this year, we were very surprised to receive notice that IBM had acquired the licenses and source code for the FG software development tools we use to support and maintain our FG products. They also notified us that any support for those tools will be ending very soon. Therefore, LGC will no longer be able to safely support and maintain our existing FG software, especially in these days of cybercrime, and constantly changing operating systems and hardware. As a result, LGC will be forced to end all support for our FG products, as of June 30, 2026. IBM has given us permission to use the tools through this time to do legally mandated changes and what we call “only critical break/fix” work.

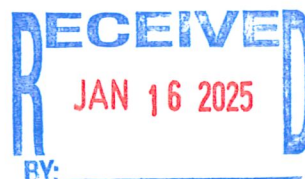
The good news is that our NextGen (NG) software, which I am sure you have heard about, is ready to upgrade your FG systems. Some of these systems have already been in the field for many years (some over 10), so they are well tested and polished. They perform beautifully and have many modern tools and features to help you administer your work.

Our experienced teams stand ready to help you with this transition to our NG versions in a way to minimize disruption to your office operations. We are committed to ensuring there is no interruption in your ability to serve the citizens of your community and members of your office(s).

Please contact our Marketing Department at (800) 381-4540 or [marketing@localgovcorp.com](mailto:marketing@localgovcorp.com) for more information on how to start this process. We appreciate your understanding and cooperation during this transition and look forward to continuing to serve your office for many years to come.

Thank you

Bruce D. Collier





## Sales Proposal

For

City of Jefferson City

Tuesday, December 10, 2024

### Proposal Information

If you are receiving this proposal for budgetary purposes, please add 10% to the final proposal cost to cover any fiscal year increases.

\*LGC's software is designed to run on the most current technology. Older operating systems and workstations may not provide the best possible user experience.

\*NextGen runs in a Microsoft SQL database, which must be purchased in order to use NextGen.

\*A Microsoft SQL CAL is required for any workstation needing access to NextGen.

\*Microsoft SQL is server specific. You are not required to purchase it for each software package.

\*The Nextgen software is developed to use the latest technology in laser printing. Older technologies such as dot matrix or line printers are not compatible.

\*Jefferson City is responsible for making certain that the existing hardware meets the minimum specifications to run LGC's NextGen software. Please see the hardware specification sheet.

### Software

<b>Application Software Windows Multi-User</b>	
Nextgen-City Property Tax	2,937.60
*Annual use and remote support fee is \$6,936.00	
Nextgen-Fixed Assets	3,835.20
*Annual use and remote support fee is \$4,216.00	
<b><i>Application Software Windows Multi-User</i></b>	<b>6,772.80</b>
<b>Total Software Cost</b>	<b>6,772.80</b>

**Total Proposal Cost:**

**\$6,772.80**

Prices are good for thirty (30) days. Contact the Marketing Department for price renewal.

**Annual Use and Support Fee:**

**\$11,152.00**

\* This **Annual Use and Support Fee** is not included in the proposal cost listed above and will be prorated from the date of installation through the end of the current fiscal year.

**Annual Use and Support Fee**

Annual Use and Support Fees for each software package will be billed after the first day of training. If LGC's software is installed on third party hardware, additional charges may apply. *Annual Use and Support Fees are due on July 1st of each year and are prorated from the first day of training through the end of June of the current fiscal year. Software use and support fees are based on the current year's support rate and are subject to change July 1st of each year. Full software use and support fees recur annually.*

**Software, Installation, and Training**

Software, installation, and training charges for each package will be billed after the first day of setup.

**Third Party Hardware**

If LGC's software is installed on third party hardware, additional charges may apply.