




## MEMORANDUM

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Date: November 9, 2023

To: Honorable Mayor and Commissioners

Via: Albert P. Childress  
City Manager 

From: Christina Bervaldi  
Director of Finance

Subject: **Authorizing An Amendment to the Agreement with Fifth Asset, Inc. DBA Debtbook, a Debt, Lease, and Software Subscription Management Software**

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### Introduction

Respectfully request the City Commission approval to authorize the City Manager, upon consent of the City Attorney, to execute an amendment to the Agreement with Fifth Asset, Inc. DBA Debtbook for a Debt, Lease, and Software Subscription Management software for an additional three (3) year period for a total amount not to exceed \$60,300, authorizing any necessary budget amendments.

### Background

In August of 2019, the Governmental Accounting Standards Board issued GASB Statement 87, which provided guidance for enhanced financial reporting for government leases to better capture and report long-term liabilities, inflows, and related asset changes. These changes were to go into effect for all fiscal years beginning after June 15, 2021, thereby creating new tracking and accounting procedures for the City of Key West's lease portfolio beginning with Fiscal Year 2022.

In order to implement these changes for the City of Key West's 2022 external annual audit, the City began researching Lease Management software that would fit our needs from a Finance perspective. After reaching out to other municipalities, the City determined that Debtbook would fit our needs and entered into an agreement beginning on October 31, 2022 with Fifth Asset, Inc. DBA Debtbook for a Debt, Lease, and Software Subscription Management software in the amount of \$15,000, which included a \$0.00 implementation fee, for an initial one (1) year period.

In May of 2020, the Governmental Accounting Standards Board issued GASB 96, which provided guidance on the accounting and financial reporting for subscription-based information technology

arrangements (SBITAs) for governments. GASB 96 is very similar to GASB 87, in that it requires governments to better capture and report long-term liabilities and assets. These changes are to go into effect for all fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

City staff has found the Debtbook software platform to be very beneficial in the GASB 87 implementation and would like to expand the subscription to include software subscription management for the implementation of GASB 96, for a three (3) year period beginning October 31, 2023 for a total amount of \$60,300.

**Procurement**

Funds for the first year of this software subscription renewal are budgeted in the General Fund / Finance / Books, Subscriptions, and Memberships account 001-1301-513-5400 in the amount of \$15,000. The additional funding required, in the amount of \$2,300, will be reallocated from within the Finance Department budget.

Year	Subscription Cost
FY 2024	\$17,300
FY 2025	\$20,000
FY 2026	\$23,000
<b>Total</b>	<b>\$60,300</b>

**Recommendation**

Respectfully request the City Commission approval to authorize the City Manager, upon consent of the City Attorney, to execute an amendment to the Agreement with Fifth Asset, Inc. DBA Debtbook for a Debt, Lease, and Software Subscription Management software for an additional three (3) year period for a total amount not to exceed \$60,300, authorizing any necessary budget amendments.

- Exhibits:  
Exhibit A – Order Form Amendment  
Exhibit B – Existing Agreement  
Exhibit C – Renewal Quote