
TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2018 February 02

FROM: CHIEF INFORMATION OFFICER

FILE: 1910-01

SUBJECT: PROPERTY TAX SYSTEM REPLACEMENT PROJECT

PURPOSE: To request a Capital Reserve Fund Bylaw to finance the Property Tax System Replacement Project.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$2,568,000 to finance the Property Tax System Replacement Project as outlined in this report.

REPORT

1.0 INTRODUCTION

The Finance Department has been using the current Property Tax System since 1989 for processing Property Taxes, Utilities, Metered Water, False Alarm, Residential Garbage Toter, Local Improvement and Business Improvement billing. This system has been substantially modified over the years, but now resides on an outdated platform which can no longer be updated. As a result, the City has experienced several system issues when attempting to perform routine maintenance, often resulting in the loss of service.

2.0 POLICY SECTION

The Property Tax System Replacement Project is aligned with the City of Burnaby's Corporate Strategic Plan by supporting the following goals and sub-goals of the Plan.

Connected Community

- Digital connection

Thriving Organization:

- Financial viability
- Reliable services, technology and information
- Technology and innovation

3.0 PROPERTY TAX SYSTEM REPLACEMENT PROJECT

There are four key drivers for the replacement of the Property Tax System:

- **Business criticality:** It is essential that the City's Property Tax system is stable and operates effectively; to ensure that no critical system issue arises which would prevent issuance of the tax statement and collection of payments within legislated timelines.
- **Customer service:** Enhanced information and payment processing capabilities on the front counter in the Tax Office would help improve processing time and allow for customers to spend less time in City Hall. A replacement system would also support future online payment of taxes.
- **System flexibility to address regulatory and cross-jurisdictional changes:** City systems are often required to adapt to changes from other government agencies – e.g., new provincial reporting requirements, changes to the BCAA file format, or future tax rate and service changes. Due to physical technical constraints, the current system is unable to accommodate changes that require structural updates to the application.
- **Sustainment:** The current Property Tax System was developed in-house and, while it has been appropriately maintained over its lifetime, modern commercial software vendors provide regular upgrades and ongoing product evolution as part of the annual support and maintenance contract.

It is also expected that the new Property Tax System will provide additional benefits to other City departments, including integration of property tax information with GIS and the ability for the Planning & Building Department to leverage the Property Tax System's internal property database and land management functions.

The project was initiated in 2017 and \$615,000 of the funding was previously approved by Council. Staff conducted a market search for a suitable software solution and issued a Request for Proposal at the end of 2017. Subject to final confirmation of the selected software solution, the total project cost is estimated to be \$3,183,000. This report is requesting the remaining funding of \$2,568,000 which is planned to be consumed as follows: 2018 – \$2,500,000 and 2019 – \$68,000. A further report outlining the recommended solution, with a contract award to the successful vendor, will be brought forward to the Financial Management Committee on March 14, 2018.

These capital expenditures will be included in the 2018 – 2022 Provisional Financial Plan and sufficient Capital Reserve Funds are available to finance the capital project outlined in this report.

The operating expenditures, including licence and on-going maintenance are estimated to be \$380,000 annually beginning in 2019. This includes provision for annual support and maintenance to the vendor, plus one applications support staff in IT. The operating budget for 2019 onwards will be adjusted during the annual budget process to include these operating costs.

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4.0 RECOMMENDATION

It is recommended that the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$2,568,000 to finance the Property Tax System Replacement Project as outlined in this report.



Shari Wallace
CHIEF INFORMATION OFFICER

SW:JK /mlm

Copied to: City Manager
Director Finance
Director Engineering
Director Planning and Building