

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2019 December 04

FROM: DIRECTOR FINANCE

FILE: 1910-01

SUBJECT: PROPERTY TAX SYSTEM REPLACEMENT PROJECT

PURPOSE: To provide an overview of the Property Tax System Replacement Project.

RECOMMENDATION

1. **THAT** the Financial Management Committee receive this report for information purposes.

REPORT

1.0 INTRODUCTION

In the summer of 2018, the City embarked on a project to replace the aging legacy Property Tax System, which had served the City for nearly 40 years. The project involved the replacement of all related billing and payment processes, plus introduction of online services which were previously unavailable to Burnaby residents. The new system, Tempest, was provided by Central Square and is used by over 50 municipalities in British Columbia. The project had a very tight timeline of going live in early January 2019 in order to accommodate a new data format for property assessment and owner information provided by BC Assessment. The project also had to accommodate new reporting criteria required by the Province for School Taxes and Home Owner Grants.

2.0 POLICY SECTION

Goal

- A Connected Community
 - Digital connection –
Provide online access to core City services and information
- A Thriving Organization
 - Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets

- Human resources –
Foster an environment for teamwork, efficiency and excellence to deliver customer service in alignment with our core values
- Communication –
Practice open and transparent communication among staff, Council and the community
- Reliable services, technology and information –
Protect the integrity and security of City information, services and assets
- Technology and innovation –
Support technology development and innovation to empower staff and to advance community objectives

3.0 BACKGROUND

Key system modules required for billing and other functions were the primary focus, with a prioritized approach on module delivery. In early January, the City was successful in going live with an initial set of 12 out of 20 modules, releasing the remaining required modules from April onwards. The new system includes the following primary functions:

- Property Taxation;
- Utility Billing (Annual and Metered);
- Ticketing - (RCMP False Alarm);
- Local Improvement (Local Area Service plus Business Improvement Area Projects);
- E-Billing (replacing Canada Post e-post service);
- MyProperty Online Portal;
- Home Owner Grant Online Applications; and,
- Related payment processing functions

4.0 KEY ACHIEVEMENTS

The new system has allowed the City to provide enhanced services in a number of areas:

4.1 ONLINE SERVICES – MY PROPERTY PORTAL

Through the MyProperty Portal, customers can now link tax and utility accounts to a profile and email address of their choosing. The MyProperty Portal has provided the following capabilities to citizens:

- Ability to view pdf copies of bills;
- See detailed line items for all transactions;
- Access consumption data in the case of metered accounts;
- Set themselves up to receive bills via email;
- View legal and assessment information; and,
- Claim a Home Owner Grant.

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In addition, a key new feature is the ability for customers to make payments online via credit card. For a 1.75% convenience fee added to the purchase, customers are able to make a payment and see it reflected on their account in real time. This added service has proved extremely popular, with \$5.2 million in payments since June 2019, comprising of just under four thousand individual transactions. The bulk of online card payments has been for property taxes, which reflects the time of the year in which the new service was made available. The plan is now to further promote this service for the Annual Utility Billing due date of 2020 March 16.

A key challenge in deploying new online services was achieving a reasonable level of customer buy-in. Under the previous system, the City only had around four thousand (4,000) customers set up to receive bills by email using the Canada Post e-post system. There was a separate webpage through which property owners could claim their Home Owner Grant and no means of customers being able to see their payments reflected in real time. As such, the number of phone calls and email enquiries Finance staff would receive on a daily bases around key billing times was substantial. The push to direct customers to use online services was beneficial as it provided customers with improved access to information and thus, gave them the tools to avoid the issues that can arise from traditional bill presentment and payment routes – namely, lost mail, late payments and the challenge of city hall parking, customer line ups and missing applications.

Throughout the project, considerable effort was placed on directing people online. Additional advertising, including an in-house kiosk, the hiring of additional staff during the peak period, and a dedicated phone line and support team were all put in place to ease customers through the transition. Also, the direct link for claiming a Home Owner Grant was removed off the City's website, therefore requiring customers to use the MyProperty Portal in order to claim their grant. The initial target for use of the new portal by citizens was to have around thirty-one thousand (31,000) customer profiles created. To date, the City has over thirty-seven thousand (37,000) customers who have created a MyProperty profile and linked one or more accounts. Of those, over seventeen thousand (17,000) people have selected e-billing as their preferred bill delivery option. This will mean that the next time the City generates the Tax Levy, these people will receive their bills at least two weeks earlier than everyone else. This also eliminates the need for mailing seventeen thousand (17,000) bills. The emphasis is now on increasing participation in e-billing for utility customers.

4.2 NEW PRE-PAYMENT OPTIONS

The legacy system restricted customer pre-authorized payment plans to ten fixed monthly payments. In many cases this meant that customers would end up owing an outstanding amount after their tenth payment had been received. For some, they would not understand that an extra payment was required, resulting in penalties for late payment. Now under the new system the City can offer a pre-payment plan that is based on ten monthly payments plus an eleventh final payment after generation of the Tax Levy. Staff have seen a positive uptake by customers willing to move to this new payment option.

4.3 LOCKBOX CHEQUE PROCESSING

For several years, the City has relied upon an external payment processor to manage the processing of cheque payments. Given the volume of cheque payments received each year, the City simply did not have a viable means of processing all cheque payments within required timelines without external assistance. Under the new system, the City has the ability to process such payments in-house and at the front counter. It was therefore decided to cancel the lockbox service and process all cheques in-house for the 2019 tax season. This proved very successful, as not only did the City avoid any issues with Home Owner Grants and other correspondence received by the lockbox provider having to be returned to the City, but the City also managed to complete all payment processing two weeks ahead of schedule.

4.4 REPORTING FUNCTIONALITY

The legacy system operated on an outdated programming platform. With limited access to resources capable of working with such obsolete technology, any new reporting requirements, be they internal or for provincial or other bodies was very problematic to achieve without considerable effort, resources and time. The new system provides the provincial standard in reporting and is used by the vast majority of towns and cities in British Columbia. As such, the product is designed for current statutory and business reporting requirements. While there will always be certain reporting requirements unique to an individual municipality, the City now has the tools and collective resources available to create what is required. Where there are reporting shortcomings with the software, Finance staff are working with IT and peers from other municipalities to seek input or collectively communicate requirements to the vendor. With regular software updates provided by the vendor, we have already seen a number of such reporting requirements fulfilled.

4.5 ABILITY TO ACCOMMODATE PROVINCIAL CHANGES

Introduction of a new file format for BC Assessment, coupled with introduction of the Additional School Tax levy for high value homes in 2019 posed two major challenges for Burnaby, which the legacy system was unable to meet. Both of these issues have now been addressed with the new system. The vendor continues to work with the Province on updates to the system to meet the latest reporting and billing requirements. The City in turn benefits from not having to customize our own system, and in many cases can work with the vendor and other municipalities on the rollout of such changes. This ensures that changes not only work for the Province, but they are implemented in a way that lends itself to efficient and effective service delivery.

4.6 BILL GENERATION

Bill generation, from initial system calculation through to generation of hard and softcopy bills, has been significantly simplified. The City has been able to utilize internal print shop resources in addition to going out to the market for external mailing and delivery. Previously we were limited to one vendor who could process the type of data produced by the legacy system. Now with this restriction removed, the City is able to use what provides for the most economic and efficient means of delivery. By utilizing new technology, the City is also able to use the application fully at alternative locations, such as the Bonsor satellite site.

4.7 GIS

Local Improvement project creation, utility billing and many other tasks undertaken by Finance rely heavily on information held spatially in GIS. Until 2019, Finance staff would refer to the City map for key property information, including assessment data, which was only available in the legacy system for the current year plus two years previous. There was no means of retrieving map data and pulling this data into the legacy system and it was difficult to report on items such as Home Owner Grant applications in a map view. With the introduction of the new system and a tie into GIS, staff can now retrieve records from Tempest and display them at the click of a button in GIS. Staff can also do this in the opposite direction, pulling data from the map directly into Tempest. This makes for considerable improvements in the administration of a number of processes, improving our ability to deal with customer inquiries and confirming billing information.

4.8 LAND DATA

A major achievement for the project was establishing a shared land database, between the Finance Department and the Planning and Building Department, for the management of legal, assessment, owner, new and pending land data. The Finance Department manages all BC Assessment legal, assessment, owner and mass imports of new property data, while the Planning and Building Department manage subdivision, new land records, stratifications and address changes, plus a vast amount of additional data attributes and historical records. These two departments will work together to share the land dataset for their respective purposes.

Over the next year, a new project will be planned to fully decommission the Permit Plan system from the old platform and improve integration and operability between the Tempest, GIS and Energov platforms.

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5.0 PROJECT EXPENDITURE

The project is now complete and total spending on the project amounted to \$2.5 million. This is in comparison to the budgeted capital plan of \$3.1 million for replacement of the system. Project work is now complete, and all project resources have returned to a sustainment and operational nature. As well, the surplus funds of \$0.6 million from the project will be returned to the respective reserve fund by year end.

6.0 FUTURE INITIATIVES

The approach at the outset of the project was to use the system out-of-the-box, avoiding customizations and using best practices around property taxation billing, which the City achieved. Given the capacity of the system to accommodate multiple lines of business outside of taxation and utilities, City staff will review how the City can further leverage its investment in the product.

7.0 RECOMMENDATION

That the Financial Management Committee receive this report for information purposes.



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