



City of Richmond

Report to Committee

To: Finance Committee

Date: February 15, 2010

From: Jerry Chong
Director, Finance

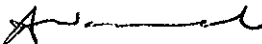
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Re: Tempest Software Implementation Update

Staff Recommendation

That the report from the Manager, Revenue on the Tempest software implementation update be received for information.


per Jerry Chong
Director, Finance
(604-276-4064)

FOR ORIGINATING DEPARTMENT USE ONLY		
CONCURRENCE OF GENERAL MANAGER		
		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/> <i>JK</i>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES <input checked="" type="checkbox"/> <i>CAO</i>	NO <input type="checkbox"/>

Staff Report

Origin

On April 27, 2009, Council approved the acquisition of a new taxation software from Tempest Development Group (“Tempest”). Staff have been working with Tempest in designing a system to best suit our needs with the goal of going live with the software system on April 19, 2010.

Analysis

The Tempest implementation project is on schedule and budget and is expected to meet the targeted go-live date of April 19th. With the Tempest software, a number of new services will be offered to clients to improve customer service and to offer more convenience to users. Some of the new services offered are:

Online Electronic Home Owner Grant Application

The City’s website will offer online Home Owner Grant (“HOG”) application forms once 2010 property tax bills are sent to taxpayers. Each tax bill generated will include a unique access code that the home owner must use in completing the HOG online. This online system should simplify HOG applications for many customers who pay taxes online through their financial institution or along with their mortgage payments. They will no longer be required to make a separate trip to drop off their HOG applications at City Hall, community centre, or in the mailbox.

In order to promote this service and to assist those unfamiliar with computers, the Tax Section will set up a separate kiosk at City Hall to help customers input their HOG applications online. It is expected that customers using this kiosk will be able to use the online service from their homes starting next year.

Tax Certificates Delivered Through BC OnLine

BC OnLine is a partnership formed by the Province of BC and MacDonald Dettwiler and Associates of Richmond. BC OnLine provides its 13,000 customers, mainly lawyers, notaries, and financial institutions with tax certificates with land title and property tax information. Many municipalities using the Tempest software currently sell tax certificates through BC OnLine. Lower Mainland municipalities using this method to sell tax certificates include: Burnaby, Coquitlam, Langley City, Langley Township, New Westminister, Port Coquitlam, Port Moody, Surrey, Vancouver, and West Vancouver.

With the Tempest implementation, Richmond will join the list of 52 municipalities selling tax certificates through BC OnLine. This step reduces the amount of staff time required to administer the tax certificate program in-house. All customer service enquiries will be handled by BC OnLine, freeing staff time to concentrate on tax and utility billing enquiries.

Deposits currently held on behalf of law firms that regularly request tax certificates through the City will be forwarded to BC OnLine to be added to the firms’ BC OnLine account. BC OnLine will charge our rate of \$30 plus a handling fee of \$5 per tax certificate requested. The \$30 fee

collected will be electronically deposited to our account on a weekly or monthly basis while BC OnLine retains the \$5 handling fee for their services. Lawyers and notaries prefer to use this service since it allows access to tax certificates for various municipalities through one portal. The City currently generates over \$200,000 annually from tax certificate sales. BC OnLine will enable the City to continue providing this service with minimal manual support required.

Pre-Authorized Withdraws

Slight changes will be made to how pre-authorized withdraws are made under the Tempest system.

With the new system, pre-authorized withdraws for property tax and flat rate utility bills will be similar in that the City will pre-collect 10 payments for the estimated tax and flat rate utility bill for the following year. Instead of a taxpayer sending the remaining balance to the City before the tax due date, the new tax bill will provide notification that the remaining balance will be automatically withdrawn from the taxpayer's bank account on record on the due date. Only action required of the taxpayer is to apply for their HOG and to ensure that sufficient funds are available on the date specified.

Pre-authorized withdraws for metered utility customers will be handled differently in that monthly payments cannot be made for these accounts. Instead, direct debit to the bank account for the full balance of the bill will be made on each due date. A taxpayer with metered utilities will have to sign up for pre-authorized withdraws for property taxes and utilities separately since one program is on a monthly withdraw basis while the other is a on a direct debit basis.

New Property Tax Bill Presentation

BC Municipalities are restricted by BC Reg. 100/2002 – Home Owner Grant Act Regulation in how property tax bills are presented. The regulation requires that the HOG amount is first applied to local school taxes and then to other levies. In order to comply, property tax bills for all BC municipalities show three tax columns for the taxpayers to choose from. The columns show taxes payable where no grant, basic grant, or additional grant applies.

The City will use the standard tax bill layout that is used by all other Tempest clients in the Lower Mainland. The new bill will not have pre-printed lines and columns like the existing Richmond tax bill, therefore, making the document less cluttered and easier to read. The bill will also provide information to the taxpayer as to the estimated monthly instalment payments necessary, should the taxpayer wish to subscribe to the monthly payment plan.

Currently, tax bill paper is on order. Staff will provide a sample copy of the new tax bill as soon as the paper supply is delivered.

Financial Impact

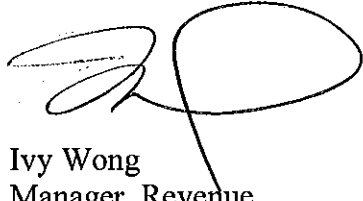
There is no financial impact for the various services.

February 15, 2010

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Conclusion

That the report on Tempest software implementation update be received for information.

A handwritten signature in black ink, appearing to be 'Ivy Wong', written over a large, faint circular stamp or watermark.

Ivy Wong
Manager, Revenue
(604-276-4046)

IW:iw