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**Item No. 4**  
**Halifax Regional Council**  
**September 17, 2013**

**TO:** Mayor Savage and Members of Halifax Regional Council

Original Signed by Director

**SUBMITTED BY:** \_\_\_\_\_  
Greg Keefe, CMA, Director of Finance and ICT, CFO

**DATE:** August 23, 2013

**SUBJECT:** E-Delivery Initiative

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### **INFORMATION REPORT**

#### **ORIGIN**

Property Innovation Council (PIC), its partners, and Staff.

#### **LEGISLATIVE AUTHORITY**

HRM Charter Section 129 Tax Bills states:

129 (1) Every person liable to pay taxes shall be served with a tax bill showing the amount of taxes for the current year, the due date and all arrears of taxes by that person or in respect of the property

(2) The tax bill must be served personally or mailed to the address shown on the assessment roll or any more current address known to the Treasurer.

## **BACKGROUND**

Recognizing the importance of delivery of quality customer services, the Board Chair of the Property Valuation Services Corporation (PVSC), the President of the Union of Nova Scotia Municipalities (UNSM) and the Minister of Service Nova Scotia and Municipal Relations (SNSMR) agreed to establish the Property Innovation Council (PIC). The Property Innovation Council serves as the central authority for addressing cross organizational opportunities and challenges relating to the delivery of property services.

### **Partners of the PIC are:**

- Municipalities
- UNSM
- PVSC
- Service Nova Scotia and Municipal Relations

E-delivery of tax bills is the delivery of tax bills through an alternative electronic means such as e-mail.

Once the Single Address Initiative Project was delivered, the Property Innovation Council provided direction to develop a Business Case to outline the potential benefits and costs of developing and operating a common billing, payment and/or mailing service(s).

## **DISCUSSION**

A cross functional working team of subject matter experts was formed from the participating partners of the PIC in December of 2012. Through a series of workshops and requirements gathering sessions the working group recommended to the PIC that the project team proceed with the development of an E-Delivery vision for the following:

- E-delivery solution for of tax bills, water bills and assessment notices
- Pay tax bills on-line or through other channels
- On-line access to tax account information

The above recommendations were accepted by the Property Innovation Council and the project team and working group were given approval to proceed with an “E-delivery Service.” The first delivery in this project is a solution for the E-delivery of tax bills, water bills and assessment notices. The delivery of bills and assessment notices electronically has benefits in terms of:

- A more efficient and cost effective way to deliver bills in that fewer bills need to be printed and stuffed in envelopes
- Reduced postage costs
- Increased level of customer service
- Promotes a progressive/modern image

- Environmentally friendly
- Provide a catalyst for other value added services

A Request for Proposal (RFP) has since been issued for an outsourced E-delivery Solution for tax bills, water bills and assessment notices, and has closed on August 31<sup>st</sup>. Review and scoring of proposals is expected to be completed by the end of September. Once a vendor has been selected and e-delivery solution piloted through selected municipalities, all municipalities will have the option to on-board to this service and offer to their respective citizens. With respect to HRM, a decision will be made at a later date, in terms of when to on-board and offer the e-delivery service. This depends on when the pilot rollout happens (i.e. March 2014 interim tax bill or September 2014 tax bill), and on whether HRM will be part of the E-delivery pilot rollout.

Business Case estimated uptake targets for the 5 years after implementation of e-delivery are 5%, 10%, 13%, 16% and 20% respectively. A recent survey conducted by PSCV had 24% of respondents indicating an interest in this service.

### **FINANCIAL IMPLICATIONS**

#### **Project Costs:**

Initial investment and operating costs for this project is to be funded from the PVSC Technology Advancement Fund, and has no cost to HRM or other municipalities other than staff time through participation on the working group.

#### **Projected Future Costs/Cost Savings HRM:**

Estimated costs at this time to ready the HRM Revenue System, Hansen, are expected to be minimal as HRM currently produces a PDF image of the tax bills in its current production process. There will also be some minimal costs to market the service once available through tax bill inserts, the HRM Web-site and social media. The selected vendor will aid in the marketing of this service as well.

The below table outlines the E-delivery business case targeted uptake rates, reduction of bill printing for HRM and estimated costs savings:

<b>Year</b>	<b>Estimates % of Residents Using Electronic Delivery Channel</b>	<b>Estimated Annual reduction of Tax bills for HRM</b>	<b>Estimated Reduction in Tax Billing Costs to HRM</b>
1	5%	16,000	\$7,200
2	10%	32,000	\$14,400
3	13%	41,600	\$18,720
4	16%	51,200	\$23,040
5	20%	64,000	\$28,800
	<b>5 Year Total</b>		<b><u>\$92,160</u></b>

**Note: The above calculations are based on mailing 160,000 bills bi-annually, an average cost of \$.90 for HRM to mail a bill, and e-delivery charges estimated at 50% less than paper cost.**

Once project is implemented staff can track actual cost savings and budget accordingly.

**COMMUNITY ENGAGEMENT**

N/A

**ATTACHMENTS**

None.

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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Original Signed by Director

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