Report - Executive Policy Committee - June 4, 2003

Item No. 4 **Consolidation of Legal Line Services from the Property Assessment Department to the Corporate Finance Department, Taxation and Revenue Division**
Files AA-3 and FL-2

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 4, 2003, the Executive Policy Committee concurred in the administrative recommendation and submits the following to Council:

1. That Council approve the transfer of the Legal Line Service from the Property Assessment Department to the Corporate Finance Department, Taxation and Revenue Division effective October 1, 2003.

2. That the current Legal Line Service fee of $6.00 per property be levied to customers, other than the registered owner, requesting property descriptive information.

3. That the Legal Line Service fee be increased to $10.00 per property effective January 1, 2004.

4. That the Proper Officers of the City do all things necessary to effect the intent of the foregoing.

Agenda - Council - June 25, 2003

Report - Executive Policy Committee - June 4, 2003

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 4, 2003, the Executive Policy Committee concurred in the administrative recommendation and submitted the matter to Council.

Re: **CONSOLIDATION OF LEGAL LINE SERVICES**

For submission to: Executive Policy Committee

Original report signed by: Chief Financial Officer

Report date: May 16, 2003

In camera item: ☐ Yes ☒ No

Recommendation(s):

1. That Council approve the transfer of the Legal Line Service from the Property Assessment Department to the Corporate Finance Department, Taxation and Revenue Division effective October 1, 2003.
2. That the current Legal Line Service fee of $6.00 per property be levied to customers, other than the registered owner, requesting property descriptive information.
3. That the Legal Line Service fee be increased to $10.00 per property effective January 1, 2004.
4. That the Proper Officers of the City do all things necessary to effect the intent of the foregoing.

Report Summary

Key Issues:

Legal descriptive information for properties on the assessment and tax rolls is not being disseminated to customers in a consistent manner. The Corporate Finance Department, Taxation and Revenue Division, is currently providing information contained within the tax roll at a charge of $6.00 per roll entry while the Property Assessment Department is providing some of the same information, which is contained in the assessment roll, free of charge.

The Property Assessment Department is also providing property descriptive data to requestors free of charge. This transfer will result in the provision of consistent, single-source legal and property attribute data and will provide an additional source of revenue from requestors other than the registered owner of the property.

Implications of the Recommendation(s):

General Implications

	None
X	**For the organization overall and/or for other departments**
X	**For the community and/or organizations external to the City**
	Involves a multi-year contract

Comment(s):

For the organization overall, revenues will be increased as certain property attribute data will no longer be available free-of-charge.

For the community and organizations external to the City, the implications will be that tax and assessment information will be available from the same source rather than two different sources. Also, certain information that was previously free will now require the payment of a fee.

Policy Implications

	No
X	**Yes**

Comment(s):

To provide a 'one-stop-shop' for customers, the Taxation and Revenue Division will be providing property descriptive information that was previously provided by the Property Assessment Department. This information will now be provided on a fee-for-service basis, except for the registered owner who will continue to receive the information at no charge.

Environmental Implications:

X	**No**
	Yes

Comment(s):

Human Resources Implications:

	No
X	**Yes**

Comment(s):

The Property Assessment Department will be able to reduce its full-time equivalent complement by one as a result of the transfer of the legal line service to the Tax Office.

Financial implications

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required

Comment(s):
The Property Assessment and Corporate Finance Departments have included increased revenue projections in their 2003-2005 operating budgets in anticipation of approval of these recommendations.

Additionally, the Property Assessment Department will be able to reduce its full-time equivalent complement by one Clerk A resulting in savings in salaries and benefit costs.

Report

Recommendation(s):

1. That Council approve the transfer of the Legal Line Service from the Property Assessment Department to the Corporate Finance Department, Taxation and Revenue Division effective October 1, 2003.
2. That the current Legal Line Service fee of $6.00 per property be levied to customers, other than the registered owner, requesting property descriptive information.
3. That the Legal Line Service fee be increased to $10.00 per property effective January 1, 2004.
4. That the Proper Officers of the City do all things necessary to effect the intent of the foregoing.

Reason for the report:

Council approval is required prior to expanding the list of services to which an established fee structure is applied and to approve an increase in the service fee.

History:

On July 7, 1994, the Province of Manitoba provided the City of Winnipeg with legislation enabling the fixing of fees for the provision of tax information payable by a person, other than the registered owner. The Fees for Services Policy was adopted by Council on July 12, 1995 and came into effect on January 1, 1996.

Since that time, the Corporate Finance Department, Taxation and Revenue Division (TAX) has been providing Certificate of Title (CT), other legal and tax account

information contained within the tax roll to customers on a fee-for-service basis. However, the Property Assessment Department (PAD) has been providing, in part, the same information free of charge.

Discussion:

Council's direction to the administration has been to explore means of generating revenues to lessen the reliance on property taxes to fund the City's operations. In addition, PAD's 2003-2005 operating budget includes, for the first time, revenues to be generated through the planned sale of assessment attribute data to the public. This is consistent with Council's direction and PAD's long-term vision of becoming a self-sustaining public business.

The PAD has traditionally provided CT, legal and property attribute data to the financial, legal, and real estate communities as well as to the general public. The type of information provided includes, but is not limited to:

- Residential and condominium property details (e.g. room counts, area, age)
- Roll number and assessed value
- Certificate of Title – number only
- Parcel use description and address
- Land area
- Zoning information

The PAD currently does not charge for providing any of this information nor does it make a distinction in providing the information to owners versus non-owners.

Over the course of the past several months, representatives of PAD and TAX have discussed amalgamating their two services and recently came to an agreement. It was agreed that TAX, in addition to tax roll information currently being provided, would provide assessment roll/attribute data now being provided by PAD. This is a logical choice as it permits customers to retrieve needed property related tax and assessment information from a single source (a one-stop-shop) and provides consistency in having this service provided on a fee-for-service basis.

This proposal is consistent with Council's adopted *Policy and Framework for Alternative Service Delivery*. Having this service delivered by TAX is the preferred solution, as TAX already possesses the infrastructure necessary to provide the service (i.e. automated legal line service, customer tracking, billing, accounts receivable systems, staffing, etc). In essence, this proposal is a form of *Public Partnership* between PAD and TAX. This is the most cost-effective approach for the City with Corporate Finance and Property Assessment sharing in the increased revenue stream resulting from the increased volume of service users.

The current practice of not charging for information requested by a property's registered owner will be maintained. Should PAD receive such a request, departmental staff will provide the owner the information requested free of charge. If, however, PAD receives requests from other than the registered owner, the caller will be referred to the fee-for-service phone service at TAX. TAX will also continue to provide, at no charge, legal, tax and attribute data to the registered owner requesting information on their own property.

TAX will absorb the additional workload and there will be no transfer of either people and/or salary dollars currently being used by PAD in providing the free legal line service. As a result, the elimination of one Clerk A FTE in the PAD will assist the department in achieving committed salary cost reductions.

It is important to note that access to the public assessment and tax rolls are unaffected by this proposal. Subsection 112 of the *Charter* requires that the current and two preceding assessment and tax rolls be made available, at no cost, to any person upon request. The Property Assessment and Tax offices currently have public access terminals where any person can access these rolls during regular business hours.

Legal Data Resources Corporation

The long-term strategy for the delivery of this service is to encourage users to obtain the information via the "extranet", an Internet fee-for-service website. Legal Data Resources Corporation (LDRC) is a non-profit corporation that has an agreement with the City of Winnipeg to provide tax and limited assessment data to its members via the extranet.

The City's agreement with LDRC provides that "The City shall take such steps as shall reasonably be necessary to ensure that it does not offer the Service to Other Users on a basis which provides a more favourable rate to such Other Users or otherwise discriminates against LDRC in connection with the provision of Service to such Other Users". Currently, this data is provided at a cost of $5.40 per roll entry of which $5 accrues to the City and is shared between PAD, TAX and Corporate Information Technology (CIT). LDRC retains $0.40/roll entry to offset their administration costs. For 2002, the City of Winnipeg received $340,000 through the LRDC agreement.

Use of the extranet service is expected to increase given the lower cost when compared to the legal line fee-for-service charge. In order to encourage migration to the extranet site the expanded information available to the legal line caller will also be available at the LDRC website on a 24/7 basis.

Freedom of Information and Protection of Privacy

It has been confirmed by Legal Services that the provision of tax roll legal and account information and assessment property attribute data is permitted pursuant to current access to information and privacy legislation. Legal Services has further confirmed that

the *City of Winnipeg Charter* provides the authority to levy a fee-for-service for the provision of this information via uniquely designed systems (an added value process).

It is important to stress that the names of registered owners cannot be used as a search criterion in either the public access system or the LDRC system. This provides name protection as required by protection of privacy legislation.

It is also important to note that customers can still access the majority of this information from the public tax and assessment rolls located at the PAD office and 510 Main Street, as well as accessing property attribute data at the City's Internet website. This is available free of charge. It is only those customers who request a more personal service to current data via the oral legal phone line or the LDRC service that will be levied a service fee.

Finally, a communication strategy has been developed to notify current users that the free service will be discontinued effective October 1, 2003 and to inform them of their options as of this date (i.e. free access to data or the fee-for-service line at TAX and the fee-for-service extranet site at LDRC). The communication plan is attached as Schedule A.

Financial Impact Statement

Date: May 16, 2003

Project Name:

Transfer of Legal Lines Service

First Year of Program **2003**

	2003	2004	2005	2006	2007
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ (6,895)	$ (31,177)	$ (33,575)	$ -	$ -
Less: Incremental Revenue/Recovery	23,250	93,000	93,000	-	-
Net Cost/(Benefit)	$ (30,145)	$ (124,177)	$ (126,575)	$ -	$ -
Less: Existing Budget Amounts	(30,145)	(124,177)	(126,575)	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The "negative" direct costs are attributable to cost savings from the reduction of one Clerk A FTE. This, combined with expected incremental revenues, results in the projected financial benefits to accrue to the City of Winnipeg (i.e. Property Assessment and Corporate Finance Departments). For reference purposes, in 2002 the City of Winnipeg received revenue of $113,000 from its legal line service and $340,000 through the LDRC agreement.

Mike McGinn, CA
Manager of Finance & Administration
Property Assessment Department

In preparing this report, there was consultation with and concurrence by:

Corporate Finance Department, Taxation and Revenue Division

This Report Submitted By:

Department:	Property Assessment
Division:	Administration & Finance
Prepared by:	Mike McGinn, Manager of Administration & Finance, Property Assessment Department
File No.	Legal Lines Report_3.doc

Schedule A

CITY of WINNIPEG COMMUNICATION PLAN

RE: TRANSFER OF LEGAL LINE INQUIRY SERVICE TO TAX BRANCH

Issue: Plans by the Property Assessment Department and Corporate Finance, Taxation & Revenue Division, to amalgamate the PAD Legal Description Service with the service offered by the Tax Branch could be seen as a reduction in service since the free service will no longer exist.

Background: The Property Assessment Department currently operates a telephone-based free legal description service. The Tax Office provides much of the same information on a fee for service basis.
To avoid duplication and save costs the Property Assessment Department plans to close the free service and make all of the information available through the single access point trough the Tax Office.
This will result in cost savings for the City and a more consistent service for the public.

Current Status: Before the service can be moved to the Tax Office, current users of the PAD Legal Description Service must be informed of the impending change.

Key messages:

1. The transfer of the Legal Description Service to the Tax Branch will provide customers with a convenient, consistent, single point of access for property information.

2. Users of the service are simply paying a small fee for the convenience of being able to obtain the information over the telephone. Property owners are not charged for information about their own property.

3. This move will make the services consistent. Currently, some property attribute information is available for free from Property Assessment while the Tax Branch would charge for it. The amalgamation of the Legal Description Service with the service provided by Tax eliminates that inconsistency.

Special Considerations:

The PAD Legal Description Service is used largely by commercial businesses such as credit card companies, insurance companies, banks, and lawyers. Many of them are already using the service provided by Tax for information they cannot get from Property Assessment. It is a public service in the strict sense of the word, but the general public is not a large portion of the client group. For this reason it is appropriate to communicate directly with the users of the service rather than through the media.

Recommended Spokesperson:

Mike McGinn, Property Assessment Department, 986-2956
Mel Chambers, Tax Branch, 986-2752

Communication Budget:

None

Attachments:

None

Communication Recommendations:

Mayor/Council Communication

Communications Tool	Proposed Delivery Date	Communication Lead
☑ Copy of this Comm. Report to CFO	Following Approval of report	Mike McGinn
☑ Copy of this Comm. Report to Mayor's Comm. Staff	Following approval of Report	Mike McGinn
☑ Email to Councillors from CFO.	Following approval of report	Brian Moore
☑ Briefing Notes	Following approval of report	Brian Moore /Mike McGinn

External Communication (Media/Public):

Communications Tool	Delivery Date	Author
☑ Other All callers to Legal Lines to be informed of impending change for a period of 3 months.	To commence on approval of amalgamation	Eric Turner
☑ No media release is planned as the client group is largely commercial and already using the Tax Service for information they do not get from PAD		

Internal Communication (Staff, Union/Association Representatives)

Communications Tool	Delivery Date	Author
☑ Staff Fact Sheet (hard copied to bulletin boards and emailed)	To commence on approval of amalgamation	Eric Turner
☑ Staff Q and A Sheet (hard copied to bulletin boards and emailed)	To commence on approval of amalgamation	Eric Turner
☑ Intranet Posting (article/ fact sheet/ Q&A sheet)	To commence on approval of amalgamation	Eric Turner