

Municipality of Lakeshore – Report to Council

Finance

Accounting & Revenue



To: Mayor & Members of Council

From: Michelle Heslop, Team Leader – Revenue & Justin Rousseau, Corporate Leader – Chief Financial Officer

Date: March 31, 2022

Subject: Revenue Division Staffing

Recommendation

Direct Administration to implement Option # ____, as described in the report presented at the April 12, 2022 Council meeting.

Background

The Revenue Division is responsible for the maintenance of Water, Property Tax and Accounts Receivable accounts and is the first point of contact for residents at Town Hall. Currently there are 14,760 Water Accounts and 17,507 Property Tax Accounts that require attention due to ownership changes, mailing address changes, assessment, payment options, billing and collections, and general account functions to provide service to the public.

On October 21, 2021, Council approved the Lifecycle Water Meter Replacement Program which will commence on April 11, 2022. The administrative requirements for processing the replacements in the water billing software are extensive as the Revenue Division will be responsible for updating and billing approximately 4,500 water accounts. The process includes retrieving information from the Neptune Connect Portal which will provide a daily report of the meter work completed. Staff will then close out the previous meter information on file and enter the new information and bill accordingly. This process is estimated to take 1 staff member approximately 15 minutes of uninterrupted time to complete the replacement procedure. This will add approximately 1,125 hours. (approximately 0.70 – 0.75 FTE). Annual hours for one full time FTE are 1,820, or between 1485-1575 hours after factoring in paid breaks, vacation, and sick time.

Operations is also planning water meter replacement at a rate of 800-1000 meters per year and this process will need to be completed annually for the foreseeable future.

Currently there are 2 full time Water Billing Clerks maintaining 14,760 accounts and will now have this additional workload, which cannot be sustained without a reduction in service level with current staffing.

Comments

Administration has identified a need for 1 additional FTE in the Revenue Division to manage the workload in relation to the meter replacement program starting in April 2022 and increase in accounts based on growth. The Municipality of Lakeshore has grown over the past 5 years and continues to grow with the new developments. This growth adds more accounts for current staff to maintain in Water and Property Tax. In an effort to adhere to the requests from the public, the option of paperless billing will be available in June, 2022, upon the discontinuance of EPOST, provided through Canada Post. This will allow for our financial system to email bills to residents as per their request. However, this process will require an additional amount of staff resources to receive, enter and maintain the email information for both Property Tax and Water.

Administration estimates an enrollment of 35%, resulting in 5,250 Water Accounts and 6,300 Property Tax Accounts to be updated with email addresses for billing.

Administration is striving to meet the demands of the public and provide exceptional customer service on behalf of the municipality. To continue to provide a high level of service, additional staff resources are required in the Revenue Division to ensure billing and collection procedures are efficient, accurate and sustainable.

Administration is confident that the additional staff in the Revenue Division and the improvements to infrastructure and technology will benefit the municipality. Options including monthly water billing cycles, accessible consumption reports and water usage analysis, will be available to increase the level of service provided to the residents of Lakeshore.

However, at the current time Lakeshore Revenue team has the highest per resident demand for service per staffing head count in the region, as well as 10,248 residents to service per staff member.

It is also noted that the regional comparators have made significant upgrades to technology with respect to customer service including online services and financial systems. This is an area in which Lakeshore is falling behind, adding to the current resource issue.

Regional Service Comparators:

In Essex County there are 4 comparators who process both water and property tax accounts, the following is a breakdown of staffing.

Municipality	Front Line Staff	Water Accounts	Water Accounts per Staff	Property Tax Accounts	Property Tax Accounts per Staff	Population (2021)	Front Line Revenue Staff per Population
Lakeshore	4	14,760	3,690	17,507	4,376	40,995	10,248
Leamington	4	9,855	2,463	12,000	3,000	29,680	7,420
LaSalle	3	11,000	3,666	11,000	3,666	32,721	10,907
Kingsville	4	8,701	2,175	9,952	2,488	22,119	5,529

* Note that not all billing cycles are at the same frequency as Lakeshore (in some cases, water billing is done on a quarterly basis only).

Cost Savings:

The Meter Replacement Program of approximately 4,500 water meters that are beyond the end of their lifecycle, will provide more accurate readings and an estimated annual revenue increase of \$315,000. New equipment will capture accurate water usage and rectify the water loss that the municipality is experiencing. In addition to the revenue increase, the new meters will be read by the Municipality's Road Patrol staff, no longer requiring a third-party service. The saving for this is approximately \$29,000 annually.

With the improvement in technology, administration estimates a decrease in costs for printing and mailing of both Water and Tax bills. E-Billing will reduce the costs by 35% resulting in \$33,250 annual savings. As this is based on customer engagement it is premature to factor these savings in the funding model, but it is anticipated that savings will occur.

It is administration recommendation that one full time FTE is warranted in the Revenue division in not just 2022 but beyond to meet growth demands. However, two options are being presented for Council consideration

Option 1: Hire a full time FTE which will be funded by the water rates in 2022, and have the cost built into the 2023 water budget.

Option 2: Hire a contract staff for the remainder of 2022, and direct administration to build in the staffing request into the 2023 water budget for council deliberations.

Others Consulted

Manager of Finance or Supervisor of Revenue at neighboring municipalities.

Financial Impacts

Option 1: - Full Time Staff

1 FTE Revenue Clerk for May - December 31, 2022 wages and benefits of \$57,322, will be funded from the following cost savings:

Water Co-Ordinator Wages from January – April 30, 2022 - \$38,109

Third Party Meter Reading Services from May – December 31, 2022 - \$19,333

	Budget 2022	2022 Cost	Variance
Cost:			
FTE Revenue Clerk (water rate funded)	\$ Nil	\$57,322	\$(57,322)
Total Cost	\$Nil	\$57,322	\$(57,322)
Funding:			
Salary Gapping (Jan-April 2022)	\$38,109	\$Nil	\$38,109
Meter Reading Services (May- Dec 2022)	\$19,333	\$Nil	\$19,333
Total Funding	\$57,442	\$Nil	\$57,442
Total Forecasted Variance	\$57,440	\$57,322	\$120

The cost to cover salaries and benefits is \$85,982 (2022 rates) this will be added to the to the 2023 budget.

Option 2: Contract Staff till December 31, 2022

1 contract Revenue Clerk for May - December 31, 2022 wages and benefits of \$48,303, will be funded from the following cost savings:

Water Co-Ordinator Wages from January – April 30, 2022 - \$38,109

Third Party Meter Reading Services from May – December 31, 2022 - \$19,333

	Budget 2022	2022 Cost	Variance
Cost:			
Contract Revenue Clerk (water rate funded)	\$ Nil	\$48,303	\$(48,303)
Total Cost	\$Nil	\$48,303	\$(48,303)
Funding:			
Salary Gapping (Jan-April 2022)	\$38,109	\$Nil	\$38,109
Meter Reading Services (May- Dec 2022)	\$19,333	\$Nil	\$19,333
Total Funding	\$57,442	\$Nil	\$57,442
Total Forecasted Variance	\$57,440	\$48,303	\$9,137

The cost to cover salaries and benefits is \$85,982 (2022 rates) this will be added to the to the 2023 budget for council consideration.

It should be noted that the following position is funded by water rates, and all water operations are self-funded and fund balances close out to the water reserve.

Report Approval Details

Document Title:	Revenue Department Staffing .docx
Attachments:	
Final Approval Date:	Apr 7, 2022

This report and all of its attachments were approved and signed as outlined below:

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