


---


**TO:** GENERAL COMMITTEE


**SUBJECT:** CORPORATE POSTAGE REVIEW

**WARD:** ALL

**PREPARED BY AND KEY CONTACT:** L. PEARSON, COMMITTEE AND PRINT SERVICES SUPERVISOR, EXT. 4367

**SUBMITTED BY:** D. MCALPINE, CITY CLERK/DIRECTOR OF LEGISLATIVE AND COURT SERVICES 

**GENERAL MANAGER APPROVAL:** P. ELLIOTT-SPENCER, MBA, CPA, CMA, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES 

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** C. LADD, CHIEF ADMINISTRATIVE OFFICER 

---

**RECOMMENDED MOTION**

1. That Staff Report CLK003-15 concerning a Corporate Postage Review be received for information purposes.
2. That staff in the Legislative and Court Services Department report back to General Committee should amendments or authorization be required from Council to implement any future initiatives related to addressing the rising cost of Corporate postage.

**PURPOSE & BACKGROUND**

3. The purpose of this staff report is to provide members of General Committee with information concerning Corporate mail and the efforts underway to address the rising cost of postage.
4. On January 27, 2014, City Council adopted motion 14-G-017 as amended regarding the 2014 Business Plan. The motion included paragraph 24, as follows:
  - “24. That staff investigate the potential alternatives to address the rising cost of postage and report back to General Committee with recommendation(s).”
5. In 2014, the Corporation posted approximately 323,171 pieces of outgoing mail resulting in a total cost of \$242,910.03 charged to the Corporate postage account. An additional \$210,000.00 of postage was processed utilizing an external vendor for water billing purposes and charged directly to the water rate account. Also, \$32,500 worth of mail was processed utilizing an external vendor for the production and distribution of 2014 Municipal Election voter notification information and charged directly to the election account.

**ANALYSIS**

6. The chart below outlines the major types of mail charged to the Corporate postage account in 2014 (does not include mail posted through an external vendor):

Type of mail	% of total pieces of mail	% of total cost of Corporate mail
Water billing reminder notices	28.31%	27.75%
Tax bills	22.38%	21.31%
Other Finance Department correspondence – reminder notices for tax arrears, accounts receivable, accounts payables, T4s for casual/seasonal employees	15.09%	15.70%
By-law correspondence - annual business licence/pet licence renewal correspondence, correspondence regarding contraventions, court dates, etc.	13.15%	14.04%
Court Services (Provincial Offences Act) correspondence – notice of trial and due date, disclosure, etc.	8.89%	8.75%
Planning correspondence – Notice of complete application, notice of ward meeting, notice of public meeting, notice of decision/by-law passage, etc.	3.97%	4.21%
Other: <ul style="list-style-type: none"> <li>• Notice of public information centres for Class Environmental Assessments, construction newsletters</li> <li>• Surveys (parking, traffic, etc.)</li> <li>• Councillor newsletters</li> <li>• Communications regarding cultural events, changes to waste collection, recreation programs</li> <li>• Correspondence with other levels of government, other municipalities, etc.</li> </ul>	8.21%	8.24%
<b>Total</b>	<b>100%</b>	<b>100%</b>

7. As identified in the chart above, approximately 92% of the Corporation's mail is associated with six (6) major types of mail (water bill reminder notices, tax bills, other Finance correspondence, By-law Services correspondence, Court Services correspondence and Planning Services correspondence). In the case of tax bills, planning and court-related correspondence, there are legislative, by-law and Council policies that require notice to be provided by mail. The majority of these notices are sent by regular letter mail. Water bills, other Finance Department and By-law Services correspondence have historically been sent by regular letter mail, as it was the only means of directing mail to specific individuals and/or property owners other than hand-delivery or placard.
8. Approximately 98% of the Corporate mail is sent by regular letter mail. The current cost of a single stamp is \$1.00 and a booklet of 10 stamps is available for \$0.85. Due to the volume of mail processed, the Corporation qualifies for a "Letter mail Rate", that permits the use of a postage meter or Postal Indicia resulting in a lower rate of \$0.77 per piece of regular letter mail. The cost of one piece of Registered Mail is \$9.77. These costs have traditionally been increased annually by Canada Post.

9. A Corporate Postage User Survey was administered to all City Departments to identify postage requirements including the types of mail-outs, areas to improve efficiencies, alternate methods of delivering Corporate Mail and a review of current processes to identify mail that could be sent electronically.
10. The Corporate Postage User Survey identified alternates to the use of mail under investigation across the Corporation and/or that have already been implemented. A summary of the results of the survey is included as Appendix "A" to Staff Report CLK003-15. Appendix "A" provides a chart outlining the details of 6 major types of mail sent out by the Corporation including current methods, the rationale for the use of mail, and postage cost reductions already implemented as well as potential short-term and longer-term cost saving considerations.

#### Initiatives Already Undertaken

11. Mass mailing of pre-authorized payment application forms and information for tax bills was discontinued as the costs associated with the mailing exceeded the value, given the percentage of accounts already utilized the pre-authorized payment options. \$8,470 in annual costs have been avoided by discontinuing the mass mailing. Pre-authorized payment letters are still sent to property owners who are registered this service, as it is required through the Canadian Payments Association.
12. The Court Services Branch currently sends out Notices of Trials electronically to agents and lawyers which has resulted in a reduction in postage costs of approximately \$5,000 annually. Staff are investigating additional alternate methods of sending out other Court related correspondence (where legislation permits), which will further reduce Corporate postage costs.
13. Boat slip renewal notices are now sent electronically. The annual cost avoidance associated with this initiative is estimated at \$255.
14. The Legislative and Court Services Department has operational practices in place to provide for an efficient and effective mail service (i.e. recognizing that it may be less expensive to send a parcel via Purolator versus Canada Post; using ad mail versus a regular letter mail for postage not required to be directed to specific individuals/property owners, regular mail versus registered mail and using more cost effective envelope sizes. These practices are implemented on a daily basis and have been in place for a number of years. They have not been tracked to determine the cost avoidance achieved.

#### Future Initiatives/Initiatives Currently Being Investigated

15. There are a number of technology initiatives underway that are anticipated to reduce Corporate postage costs including the following:
  - The implementation of new water billing and tax billing software requiring less bills to be mailed;
  - The enhancement of the phone system to allow for billing reminder calls;
  - The implementation of the Applications, Permits, Licencing and Inspection software (APLI) to allow for electronic notification of permit and licence renewals; and
  - The implementation of ERP may allow for pay slips and T4s (for the circumstances where they are currently mailed such as in the case of summer/seasonal staff students) to be distributed electronically and some invoicing as well as charge backs for departments/programs and services utilizing Corporate postage.

Other Considerations

16. Legislated notices and orders (e.g. Water Billing Arrears Notices, Public Meeting Notices, Committee of Adjustment Notices and Orders to Comply), are currently required to be mailed in the method and timelines provided for by applicable legislation. Should the legislative requirements change, staff will review the value of any change to the method of distribution from both a cost savings and communications perspective.
17. There are several aspects of current City policies related to communications concerning Planning Applications that exceed any legislative requirements. Ward meetings are not required in the Planning Act and the Council policy regarding notice of a Ward meeting requires notice by letter mail of such meeting to all property owners within a 240 metre radius of an application. The Planning Act requires that notice of Public Meetings be given by personal service or mail to every property owner within 120 metres of the subject property and a posting on the property OR that notice is published in a newspaper. The City currently provides all three forms of notice, exceeding the requirements of the Planning Act. While notice of Ward meetings/Public Meetings by regular letter mail could be discontinued, they play a vital role in advising the property owners in the area of proposals to encourage their feedback and the costs of such notices are recovered from the applicant through the application fees.
18. A requirement for a second reminder notice for tax arrears has been included in the by-law with respect to tax billing. This second reminder notice is not required by Provincial legislation. While eliminating the second reminder notice could save approximately \$3,850 annually in postage costs, it acts as a valuable reminder of outstanding taxes and the amount collected through such notices exceeds the costs.
19. The demand for Communication mail-outs to residents has increased with the focus on community involvement and engagement. Examples include Construction newsletters, notices of garbage collection changes, recreational programs, and Ward meeting notices. Balancing this increased demand while minimizing larger postage costs will continue to be a challenge. The most cost effective mode of mailing will continue to be utilized for such notices. The use of the website and social media to communicate information to the public has increased substantially and is an important tool for communicating various projects and initiatives but has not replaced the need to provide letter mail in all cases, and is not always the preferred or most effective method depending on the target audience.

**ENVIRONMENTAL MATTERS**

20. Individual letter mail creates a significant amount of paper and envelope waste and contributes to the destruction of trees. While the Corporation's paper and envelope stock is required to be comprised of post-consumer recycled product, the use of non-paper forms of communicating such as e-billing, local media, social media, websites, etc. to provide environmentally-friendly alternatives continues to be expanded and implemented as feasible.

---

**ALTERNATIVES**

21. The following alternatives are available for consideration by General Committee:

**Alternative #1**

General Committee could direct staff to implement e-billing for payment and notice provisions separately from the existing technology initiatives such as the ERP and APLI Projects.

The technology initiatives underway such as the ERP and APLI projects are anticipated to provide e-billing/e-notice alternatives that are integrated with other aspects of City operations, which will reduce the number of times data is entered and allow for more efficient processing. The project budgets already include the costs associated with electronic billing/notices, where feasible.

**Alternative #2**

General Committee could alter the policy to eliminate the extended area of distribution for notices for Ward Meetings regarding Planning Act applications and/or choose to publish notice of Public Meetings solely in a newspaper.

Reducing notices for Ward Meetings/Public Meetings is not recommended as it would reduce opportunities to inform the public of public meetings where Council has expressed an interest in expanding direct communications with residents regarding applications.

**Alternative #3**

General Committee could alter the provisions within the tax billing by-law to eliminate the requirement for a second reminder notice for tax arrears.

The cost savings associated with eliminating the second reminder for tax arrears reminder notices is currently offset by the increased payments achieved due to the notice.

**FINANCIAL**

22. Initiatives already undertaken to date represent a savings of approximately \$13,750 annually. A number of other practices are in place to reduce postage costs that are not quantifiable.

23. A number of initiatives that are technology dependent have been identified for implementation in the next several years, which represent tens of thousands of dollars of potential savings.

**LINKAGE TO 2014-2018 COUNCIL STRATEGIC PLAN**

24. The recommendation(s) included in this Staff Report support the following goals identified in the 2014-2018 Strategic Plan:

Responsible Spending

25. Staff will continue to monitor, investigate and implement the actions outlined in Appendix "A" to ensure responsible spending of the Corporate Postage Budget.

APPENDIX "A"

**Corporate Postage Account Summary**

TYPE OF MAIL	# OF PIECES	% OF TOTAL PIECES OF MAIL	DETAILS AND RATIONALE	POSTAGE COST REDUCTIONS ALREADY UNDERTAKEN	OPPORTUNITIES AND CONSIDERATIONS
Water billing arrears correspondence	91,488*	28.31%	Over 90,000 reminder notices of water accounts in arrears are mailed annually as required by the City's water billing by-law, in addition to the approximately 273,000 original water bills sent through the external vendor.		An expansion of the water billing software will enhance the use of e-services such as billing reminder calls, emails, etc. (anticipated implementation 2015/2016)
Tax Bills	72,316	22.38%	Interim Tax Bills are mailed twice a year. Required by legislation that tax bills are to be mailed no later than 21 days prior to the due date.	Efforts are made to identify tax bill mailings that are going to the same address and are placed in one envelope. Currently, this requires a manual identification.	The purchase of new tax billing software in 2016 is anticipated that less bills will be required to be mailed out in 2017 and future years.
Other Finance Department correspondence – accounts receivable, accounts payables, tax billing related, T4s for casual/seasonal employees, etc.	48,756	15.09%	<p><u>Vendor Payments</u> Approximately 18,000 cheques are mailed out yearly related to payments for vendors as many of the City's vendors are not set up for e-payments.</p> <p><u>Invoices</u> Approximately 15,000 invoices are mailed annually to obtain payment for costs associated with by-law contraventions or goods and services provided.</p> <p><u>Tax bill related correspondence</u> Over 10,000 letters related to tax bill correspondence, primarily consisting of pre-authorized payment letters as well as tax arrears reminders, are sent annually. A pre-authorized payment letter for those property owners already registered is required annually by the Canadian Payments Association. A reminder notice of tax accounts in arrears is required by legislation; the City of Barrie sends two notices.</p> <p><u>T4s and payslips</u> Permanent staff receive T4s and payslips through the internal mail system. As T4s are required to be issued by February 28 each year and the approximately 1,000 casual/seasonal/students/contract staff are not scheduled to work at a City facility during the required timeframe, they receive their documents by letter mail.</p>	<p><u>Tax bill related correspondence</u> Mass mailing of Pre-authorized Payment applications was discontinued in 2014 as there was no additional benefit to continuing this process (93% of property owners make payments through the Pre-authorized Payment program or their financial institution). The cost savings associated with eliminating the mass mailing of pre-authorized payment applications in 2014 was \$8,470.</p>	<p><u>Vendor Payments</u> Staff are investigating e-paying vendors directly through the bank. Approximately 40% of the vendors are expected to be paid electronically. The cost savings associated is estimated at \$9,000.</p> <p><u>Tax bill related correspondence</u> Elimination of second tax arrears notices would require an amendment to the By-law and would save approximately \$3,850. This cost is offset by the additional revenue collected from these notices.</p> <p><u>Invoices</u> The ERP system may be able to address some aspects of invoicing although many of the invoices are sent to individuals/companies on a one time basis and may not be cost effective to set up in these cases and/or we may not have electronic contact information.</p> <p><u>T4s</u> It is anticipated that with the ERP system, pay slips will be sent electronically. As Revenue Canada moves to more electronic systems and with ERP implementation, it is anticipated that most T4s will be sent electronically</p>

TYPE OF MAIL	# OF PIECES	% OF TOTAL PIECES OF MAIL	DETAILS AND RATIONALE	POSTAGE COST REDUCTIONS ALREADY UNDERTAKEN	OPPORTUNITIES AND CONSIDERATIONS
By-law related correspondence (annual business licence/pet licence renewal correspondence, correspondence regarding contraventions, court dates, etc.)	42,503	13.15%	<p><u>Renewal Notices</u> 5,550 of Pet Licence and 2,000 of Business Licence Renewal notices are sent out annually. The City of Barrie requires certain types of business operating within the City have a City of Barrie Business Licence. Dogs and cats are currently licensed on an annual basis. Renewal notices are sent as a reminder in achieving compliance.</p> <p><u>Notices of Violations</u> Property Standards letters, sign notices and zoning notices. Property Standards letters, sign notices and zoning notices are required by by-law to be sent by letter mail</p>	<p><u>Renewal Notices</u> Applications, Licence, Permits and Inspection (APLI) software project is underway which has the potential to reduce/eliminate renewal notices that are currently being mailed.</p>	<p><u>Renewal Notices</u> The Business Services Committee is reviewing the Business Licence and renewal process. Cost savings may be realized as a part of the review. Introduction of the APLI software will eliminate/reduce notices/renewals being mailed. The savings that would be associated is estimated at approximately \$5,500.</p>
Court Services (Provincial Offences Act) correspondence – notice of trial and due date, correspondence related to extensions for time to pay, etc.	28,721	8.89%	<p>Notices of Trials to defendants comprise the vast majority of correspondence related to Court Services/POA. It is legislated that Notices of Trials are sent by mail</p>	<p>Courtesy Notices of Trial to lawyers and agents are now sent electronically, representing approximately \$5,000 annually.</p>	<p>Staff are investigating further on-line opportunities/e-mail service for forms/correspondence to defendants. Notices of Trial will be sent electronically if the legislation changes to allow e-service.</p>
Planning correspondence – Notice of complete application, notice of ward meeting, notice of public meeting, notice of decision/by-law passage, etc., Committee of Adjustment Notices	12,836	3.97%	<p><u>Notice of Public Meetings, Ward Meetings</u> Council policy requires Ward Meetings notices to be provided by mail to residents within a 240 m radius of the subject property.</p> <p><u>Public Meeting Notices</u> Planning Act requires notice to be given by personal service or mail to every property owner within 120 metres of the land as well as specific agencies AND posting notice on the property OR publishing notice in a newspaper - all three are completed.</p> <p><u>Notice of Decisions</u> Notices of Decisions are mailed to property owners/agencies, etc. in accordance with the Planning Act.</p> <p><u>Committee of Adjustment Notices</u> Notices are sent to property owners within 60 metres of subject property and to the Committee Members, as legislated.</p>	<p>Staff attempt recognize duplicate mailing addresses for Public Meeting related mail-outs and place applicable notices in one envelope</p> <p>Staff in IT are attempting to rectify the challenges of duplicate addresses.</p>	<p><u>Public meeting notices</u> Council could amend its policies and choose to publish notice in a newspaper and eliminate the mail delivery – no net cost savings as costs are recovered (on average) as part of the development application fee. In addition, it would reduce opportunities to inform the public of public meetings where Council has expressed an interest in expanding communications.</p> <p>Any other reductions in the use of letter mail would require changes to Provincial legislation.</p>

TYPE OF MAIL	# OF PIECES	% OF TOTAL PIECES OF MAIL	DETAILS AND RATIONALE	POSTAGE COST REDUCTIONS ALREADY UNDERTAKEN	OPPORTUNITIES AND CONSIDERATIONS
Other: <ul style="list-style-type: none"> <li>• Notices of public information centres for Class Environmental Assessments, construction newsletters</li> <li>• Surveys (parking, traffic, etc.)</li> <li>• Councillor newsletters</li> <li>• Environmental Newsletters</li> <li>• Growth Management correspondence</li> <li>• Communications regarding cultural events, waste management services, recreation programs</li> <li>• Correspondence with other levels of government, other municipalities, etc.</li> </ul>	26,551	8.21%	<p>The Class Environmental Assessment process requires notification and/or consultation with various stakeholders. Such notices are mailed in order to ensure impacted property owners are advised and to provide documentation of such notice.</p> <p>Newsletters, surveys and event communication are utilized for increased communication to members of the public and are supported by other tools such as the City's website and social media.</p> <p>Certain types of correspondence going to the same address cannot be mailed in one envelope due to Personal information contained within the correspondence.</p>	<p>Boat Slip Renewals are now e-mailed (approximately 330/year)</p> <p>Ad-mail is utilized for bulk mail-outs such as newsletters, surveys, event communication</p> <p>Inter-facility courier service is utilized for routine mail-outs within Barrie, i.e. Deliveries to MPAC</p>	<p>Provide additional training/guidelines for staff to reference where ad-mail and/or social media would be a more advantageous and cost effective mode of communication (such as on-line tools for surveys)</p> <p>As part of the ERP system, full cost accounting for programs and services would allow for charge backs of Corporate postage costs to the Department/functional area, which will encourage further consideration of the financial impact versus benefit of utilizing mail. Currently, only water/wastewater and Court Services are charged back for their postage costs (as their budgets are either user rate systems or other municipal partners are funding costs associated with the delivery of the service).</p>
<b>Total</b>	<b>323,171</b>	<b>100%</b>			