



## Council Report

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**Report Number:** PUR2025-008  
**Meeting Date:** October 21, 2025  
**Title:** 2025-108-SS iCity Modernization  
**Author and Title:** Ashley Wykes, Buyer  
Linda Liotti, Manager, Revenue and Taxation

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### Recommendation(s):

**That** Report PUR2025-008, **2025-108-SS iCity Modernization**, be received;

**That** CentralSquare Canada Software Inc. be awarded the single source procurement, to modernize the iCity software solution for the multi-year Special Project (921260121) in an amount of \$451,335.00 not including HST;

**That** subject to receipt of the required documents, the Director of Corporate Services be authorized to execute the agreement; and

**That** the Procurement Division be authorized to issue a purchase order.

**Department Head:** \_\_\_\_\_

**Financial/Legal/HR/Other:** \_\_\_\_\_

**Chief Administrative Officer:** \_\_\_\_\_

## **Background:**

The City's current property tax, utility billing and cash receipting system has been in use since amalgamation in 2001. Replacement of this system has been identified as a priority in the Corporate Services Financial Modernization project, aligning with the City's strategic priority of Good Government, with the goal of improving customer experience by leveraging digital transformation.

In 2019 City staff issued a Request for Information (RFI), however, based on an assessment of the market at the time, a decision was made to defer replacement until such time as a suitable solution was available to meet the City's needs.

Since CentralSquare Canada Software Inc. is the City's current software provider, a single-source award is recommended. This recommendation is based on the limited market for a software system with the modern and robust capabilities of the proposed solution, and the significant advantages in terms of time, cost, and continuity that comes from remaining with the existing vendor. Remaining with CentralSquare provides tangible benefits, including seamless data continuity, minimized implementation risks, retention of staff expertise, and the avoidance of costly data migration and integration challenges typically associated with transitioning to a new provider.

In addition to strengthening the City's billing and collection processes, the new software will allow for the introduction of a self-service portal for property owners to more actively manage their accounts.

In addition to the property tax system replacement, the project includes deployment of a cloud-based water billing solution from the same vendor. While the water billing and taxation systems will remain separate, both will transition from on-premise to modern cloud environments, providing improved reliability, security, and vendor support. CentralSquare is currently developing a new interface for the water billing product, which is expected to be available for the City's phased rollout. Contracting both systems together will ensure a consistent user experience for staff and coordinated implementation planning.

The project will follow a phased implementation approach. Development of the property tax solution is expected to begin in late 2025, with a launch planned for Q3 2026 and a full go-live date scheduled for January 1, 2027.

The utility billing solution will be developed concurrently during 2027, with an anticipated go-live date in 2028.

## **Rationale:**

The City's current software is responsible for the billing and collection of more than 48,000 tax and 14,000 utility accounts, generating more than \$215 Million annually in revenue for the City. Property taxes combined with water/wastewater is the City's largest revenue source, and a secure, modern, and adaptable billing system is essential to safeguarding this revenue stream.

The existing system, implemented in 2001, has undergone periodic updates (most recently in February 2024). However, key modern features in our current version, remain unavailable, resulting in significant manual processes. These include:

- Lack of automation for ownership and mailing address updates, pre-authorized payment plans, and e-billing enrollments;
- Manual journal calculations to ensure alignment with the City's enterprise-wide financial management system (JDE);
- Inability to automatically make adjustment to both property tax and utility accounts, resulting in manual tracking of account adjustments; and
- Limited reporting and analytics functionality.

These constraints result in an estimated 2,100 staff hours annually dedicated to manual tasks, which inherently are prone to errors and requires staff time to complete and respond to our customers.

Since early 2019, staff from Revenue & Taxation and Information Technology (IT) have been actively investigating potential replacement tax software systems by consulting with other Ontario municipalities undergoing similar evaluations. These discussions, combined with low response rates to procurement documents issued by other municipalities, indicate that the property tax software market is limited. There are a small number of vendors capable of delivering a solution that meets the City's required functionality.

CentralSquare has more than 25 years of experience servicing municipal property tax sector and currently provides solutions to more than 200 Ontario municipalities. They

are shifting their focus away from the smaller, legacy products, to their modernized cloud-based platform.

Any property tax billing solution must adhere to Provincial legislation and City of Kawartha Lakes policies, primarily but not limited to the Municipal Act, Assessment Act and Education Act, as well as municipal by-laws, which stipulate the means utilized in the billing and collection of property taxes. It must also have the ability to load assessment information each year received from the Municipal Property Assessment Corporation (MPAC).

The chart below represents Ontario municipalities that have undertaken a similar process with respect to sourcing a modernized solution that adequately supports the needs of their respective organization.

<b>Municipality</b>	<b>Procurement Method</b>	<b>Contracted or Awarded to</b>	<b>Go-Live Date</b>
Halton Hills	Single Source	CentralSquare Canada Software Inc	January 2021
Chatham-Kent	RFP	CentralSquare Canada Software Inc	January 2021
Guelph	Single Source	CentralSquare Canada Software Inc	January 2023
Burlington	Single Source	CentralSquare Canada Software Inc	
St. Catherine's	Single Source	CentralSquare Canada Software Inc	January 2023
Brantford	EOI - Single Source	CentralSquare Canada Software Inc	
Caledon	Single Source	CentralSquare Canada Software Inc	
Oakville	RFP	CentralSquare Canada Software Inc	January 2025
Milton	Single Source	CentralSquare Canada Software Inc	Sometime in 2026

### **CentralSquare Property Tax**

CentralSquare has legacy property tax systems in more than 500 municipalities within Canada including over 200 in Ontario. These legacy systems include Vadim, Diamond and a desktop version of Tempest (used in B.C. and Alberta) that fall under the CentralSquare suite of products. This vendor recognized the need for a robust, modern and sustainable taxation software within the Ontario market and has been actively enhancing their product line since 2018. CentralSquare offers a robust, cloud-based application hosted via secure data centers within Canada. The CentralSquare system meets all Provincial property tax legislative requirements for billing and collection. Their tax solution is designed to be flexible in its operation thereby minimizing the need for product customization. It offers functionality such as role/group defined permissions, flexible pre-authorized plans, unlimited user-defined attributes, variable school rates

and revenue configurations, and robust data exports which are critical to the present and future needs of the City.

CentralSquare's tax system also offers an online portal that provides self-serve capabilities, accessible through a secure login from the City's website, available 24/7 to ratepayers. Customers will experience a "one stop" solution by enrolling for e-billing or pre-authorized payment, change their mailing address, view pertinent account details (historical billings, payments, assessments and other transactional attributes), and generate an account statement to be used for mortgage refinancing, property sale or income tax purposes.

### **Other Alternatives Considered:**

No alternative solutions are being considered, as this option is fully compatible with the City's infrastructure and security standards and has been evaluated as the most effective way to meet the City's requirements.

The Procurement Policy allows for single source purchases for the following reasons:

- 1) Due to an absence of competition for technical reasons; and
- 2) For additional deliveries by the original vendor of goods or services that were not included in the initial procurement, if a change of vendor for such additional goods or services;
  - a) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services or installations procured under the initial procurement; and
  - b) would cause significant inconvenience or substantial duplication of costs for the procuring entity.

### **Alignment to Strategic Priorities**

This project aligns with the strategic priority of "Good Government" as it will provide innovative and efficient service delivery for better customer experiences and promote continuous improvement and innovation to "Make it Better".

### **Financial/Operation Impacts:**

Financing for the iCity Modernization multi-year (2026-2030) project has been approved in Report CA2026-006 at the September 2025 Council meeting as an advanced approval to the 2026 special projects budget as per the following Council Resolution:

11.1.5 CA2025-006

**Advance Approval of Designated Proposed 2026 Capital and Special Projects**

Dr. Adam Found, Manager of Corporate Assets

**CR2025-342**

**Moved By** Mayor Elmslie

**Seconded By** Councillor Doble

That Report CA2025-006, **Advance Approval of Designated Proposed 2026 Capital and Special Projects**, be received.

**Carried**

The following table outlines the funding and expenditures for the project.

<b>Multi-year (2026-2030) Draft Project</b>	<b>Original Project Budget</b>	<b>Other Committed Funds* see below</b>	<b>Project Balance</b>	<b>Purchase Amount (excl. HST)</b>	<b>HST Payable</b>	<b>Total Amount</b>	<b>Project Balance</b>
921260121	\$1,363,000	\$800,000	\$563,000	\$451,335	\$7,944	\$459,279	\$103,721

\*Other committed funds include labour costs for implementation by the Revenue and Taxation Department and IT Department.

The combined procurement of the property tax, water billing, cash receipting, and customer portal modules reflects negotiated package discounts and shared implementation costs, strengthening the overall financial value of the single source award.

Annual operating costs for licensing, maintenance, and cloud hosting are quoted at up to \$177,440, commencing at go-live and increasing by approximately 3% annually. These costs will be incorporated into Year 2 of the IT operating budget.

**Consultations:**

Supervisor, IT Business Relations

Treasurer

Supervisor, Procurement

Director of Corporate Services

Manager, Corporate Assets

**Department Head email:** sbeukeboom@kawarthalakes.ca

**Department Head:** Sara Beukeboom

**Department File:** 2025-108-SS