



Municipalities struggle to make e-gov pay

by Richard Bray

LARGE OR SMALL, Canadian municipalities are under pressure to get into e-government. And while citizens now expect the same online services from every level of government, not every municipality can afford the investment or assume the risk. Larger cities can spread the costs of implementing e-government across a larger tax base, but smaller municipalities must overcome more or less identical challenges with smaller budgets – and fewer IT (information technology) professionals.

The average Canadian does only one transaction with the federal government in any given year: a tax return. They have the most frequent contact with municipal governments, which offer dozens of complex transactions. With limited tax resources and high visibility in the community, decision makers in smaller municipalities must ensure e-government is a paying proposition.

Some fast-growing municipalities know exactly when they should jump into e-government – as soon as possible. If complex transactions like licensing and building permits are coming in faster than they can be processed, automation is the obvious answer and it is easy to justify the investment in e-government. Communities not in that situation may not be able to build a business case. “If you are a small municipality with no growth and most of your citizens work within a short drive of the town hall, the investment is probably not worth the return,” says Eric David, executive vice president of CSDC Systems (a software supplier), who works directly with municipalities.

In some cases, yesterday’s technology investments – infrastructure and ERP (enterprise resource planning) systems, as well as desktops and networks, purchased mostly in the run-up to Y2K – might have an impact on today’s decisions. Microsoft’s public sector director Craig Sisson says, “[Governments] installed some pretty significant ERP systems in reaction to the panic from Y2K. These systems are very expensive to manage and eat up major chunks of IT budgets.” Now, more than

five years later, with many of those systems due for an overhaul, the time may be right to put services online and recoup some of that investment.

The city of Grande Prairie, Alberta is an IT pioneer (see sidebar) and is aggressive about putting municipal services online. Before moving ahead, said the city’s IT services administrator, Brad Emond, it asked some probing questions. “Were the different business units ready to do that? Where was our technology? Was it up to speed? How were our business processes internally? Is it something being demanded by citizens and people who would use the service, and how successful could we be?”

Sometimes, according to Jason Martin of Navantis, another e-government vendor, municipalities simply need to cut through the accumulated clutter. “There is always that time in the life-cycle of any enterprise, whether public or private, where people are doing certain things that are procedures and no one can really remember why they are done that way or how they came to be.”

There are many levels of transactional e-government, from a simple query to an online source all the way to integrating the citizen in the municipality’s business processes, and bringing outside agencies

Grand Prairie offers e-gov solutions to others

When it comes to e-government Grande Prairie, Alberta is in business for itself – literally. The city owns muniportal.ca, a transactional website it hopes other municipalities in the region will share. Like a chameleon, other towns and cities will be able to ‘skin’ muniportal.ca with their own distinctive brand and identity, while directing their citizens to services and transactions that are custom-tailored for regional and provincial residents.

Brad Emond of Grande Prairie’s Information Technology Services department says it all began 10 years ago with a vision. “We were looking at where we needed to position ourselves as a community, and what some of the challenges and opportunities were,” he said. “We developed a vision document called *CyberCity* at that time.”

The City of Grande Prairie website, cityofgp.com, was redeveloped, but that was just the beginning of e-government. “We took our bureaucratic view of municipal government and changed that into an end user view and organized information around visitors, businesses, citizens of Grande Prairie and some other things,” Emond explained. The second, less visible phase was the development of the framework for muniportal.ca. “Now,” Emond says, “we are really in the third phase, which is rolling out actual individual services under muniportal.ca.”

As of September 2005, the site was still quite basic, listing only Grande Prairie as a municipality and offering seven services, including: Applications, Documents, Forms, Licences and Permits, Council Meeting Webcast, Interactive Maps, Parking Ticket Service, and Property and Tax Enquiry Service.

Emond says, “We have a lot of business planning to do as to how exactly we will structure that, but our idea is to, maybe on a transaction basis or a full-service model, have different options for different municipalities to use muniportal.ca to direct their citizens to online services.”

In effect, muniportal.ca is a business venture, underwritten by the Grande Prairie taxpayer, and as Emond says, “There is a certain leap of faith even with all the planning and projections and things that we do. The bottom line is that you really don’t know, and there is a certain amount of risk you have to take.” He said muniportal.ca got political approval because the municipality’s online services have evolved over a number of years and multiyear plans were in place, based on a clear vision.

“It is much easier for me to go to council and say, here is another piece of that puzzle and they buy into that and say, ‘yes, I understand where we are going as an organization and as a community’,” Emond says.

and private companies into the workflow environment. As the transactions increase in complexity, more and more sophisticated technology is required at the back end.

Often the benefits are difficult to quantify. As Emond says, Grande Prairie's property tax inquiry service diverts 3,000 phone calls a year from the tax clerk while gathering the same amount of revenue. "There is a payback in that efficiency that is very difficult to measure. We may have had to hire another tax clerk to handle the volumes, but we don't know that. But right now we [don't] have to hire another tax clerk because we can divert the calls online," he says.

Sisson knows how e-government gets off the ground. "Political will, absolutely. It is probably number one." Eric David agrees saying, "Any time you do a project like that it has a lot of public visibility. I think, whether it is a small or large town, you really need to get buy-in from your

council, and council really needs to understand the business case for going forward."

Municipalities can take two broad approaches to e-government: the first is building and managing online services themselves; the second is to select a hosted environment in which transactions are managed and processed elsewhere. Eric David says, "For the smaller communities – thinking about cost, complexity, security – the hosted approach is by far the best. Even for mid-sized communities, let's say up to maybe 200,000 or 300,000 in population, the hosted approach is far better."

Microsoft's Craig Sisson believes smaller municipalities should consider a blended environment, choosing the most appropriate way of delivering specific services – "a hosted platform for them to be able to plug into and offer services to the local community, without having the costs of building out that hosted environment."

But Sisson believes e-government is still a daunting business proposition for many smaller governments because it involves a considerable investment in time and money. "Quite often, I think you start looking

at charging fees for transactions, and then you get pushback from the citizenry on that. There is always the issue, how much of a business proposition is this? Who's going to fund it? Who's going to build it out and manage it? And then, shall we charge the citizens for accessing services?" In fact, some municipalities resist online payments because they cannot afford the fees charged for credit card processing and are reluctant to add it to the citizen's bill.

In practical terms most municipalities will design and implement their own e-government solutions.

There is no shortage of hardware and software, to help them do that and literally hundreds of specialized vendors, integrators and consultants stand ready to work with municipalities on e-government solutions. In the end, the municipalities themselves will choose how best to serve their citizens. *RM*

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