



STAFF REPORT

Department/Function: General Government & Finance

Chair: Councillor Gerard LaChapelle

Meeting Date: March 16, 2020

Report No.: GGF-2020-25

Report Title: Authority to extend payment due-dates and waive penalties and interest

RECOMMENDATION:

That Staff Report No. GGF-2020-25 Authority to extend payment due-dates and waive penalties and interest be received;

And that Council authorizes all penalties incurred on current tax and water/wastewater accounts and interest charged on other receivable accounts be waived from this date until such time that Council deems necessary.

INTRODUCTION/BACKGROUND:

As the outbreak of COVID-19 continues to evolve globally, the Township must take a number of enhanced measures over the coming weeks to protect ourselves and our residents from the spread of COVID-19.

In order to ensure we as staff have the ability to react to the changing information available, it is prudent to get authorization now from Council, with respect to how due dates and penalties and interest charges will be handled.

Should the office be closed for a period of time, options for customer payments include; online payments through banking institutions, paying at the bank with a debit card (involves customer interaction) and leaving cheques in the drop box.

We have the following upcoming due dates to consider:

March 20th – Residential Water/Wastewater 1st Qtr Bill

April 30th – Interim Tax Bill, 2nd installment

June 20th – Water/Wastewater 2nd Qtr Bill

June 30th – Final Tax Bill, 1st Installment

In addition we have a number of commercial properties that are billed for water and wastewater services monthly and supplemental tax billings that are processed as information is received from MPAC.

At any given time, there are also receivables due, related to property standards, building permit maintenance fees, etc. all of which are charged interest if left unpaid.

ANALYSIS:

With regards to operations, any strategies that will reduce the number of customers entering the building will enhance the safety and comfort level of our front line staff. It would be prudent to offer to mail receipts for all payments received in the drop box for the duration of this situation as well as to enhance communications for payment options other than in person payments. Extending payment due dates and/or waiving penalties and interest charges may also encourage residents to avoid coming in person to the office.

Should Council wish to entertain the waiving of penalties and interest charges, the following options should be considered:

1. Waive the levying of penalty on tax and water/wastewater accounts (current bills only) for a period of time to allow customers to make alternate arrangements. This would result in an approximate reduction in revenue of \$10,000 for water/wastewater per quarter, and \$up to \$11,500 per month for taxes.
2. Waive the levying of all penalties and interest on all taxes receivable (including current bill and amounts in arrears) for a period of time to allow customers to make alternate arrangements for their outstanding bills. This would result in an approximate reduction in revenue of up to \$20,000 per month for taxes.
3. Continue to process payments and apply penalties and interest as per current policies.

Providing some type of assistance would send a message to our residents that we understand these are uncertain times, and waiving penalties and interest charges shows that we are empathetic to the significant financial challenges they may face resulting from this global pandemic.

FINANCIAL/BUDGET IMPACT:

Offering relief in relation to penalties and interest on unpaid accounts has the potential to have a significant impact on our annual budget. The penalties and interest revenue earned (2019- \$283,000) supports daily operations. The extent of this impact will be dependent on the options selected and duration of the relief period as well as the overall impact this pandemic has on our local and global economy.

CONCLUSION:

It is anticipated that encouraging customers to use electronic forms of payment and waiving penalties and interest charges would reduce the traffic into the office, while also providing a mechanism to help residents who have been financially affected by COVID-19.

Prepared By:

Date: March 15, 2020

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Chief Administrative Officer

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