A. Recommendations

THAT Council receive staff report FAF.20.096, entitled “Waiving Utility Penalty and Interest”; AND THAT Council continue to waive the penalty and interest on utility billings from July 1, 2020 to September 30, 2020.

B. Overview

This report is seeking authorization from Council to continue to waive the penalty and interest on utility billings from July 1, 2020 to September 30, 2020.

C. Background

In March 2020, Council passed a resolution to waive all penalty and interest charges on property tax and utility billings until June 30, 2020. The move was made to help alleviate the financial burdens facing residents and business owners in the wake of the COVID-19 outbreak. Because the water and wastewater revenue is collected from user fees those that can afford to pay on time are encouraged to do so.

The utility payment due dates will remain the same, however those customers that are unable to make a payment by the due date will not be charged late penalties or interest for July, August or September late payments.

D. Analysis

The water and wastewater systems are dependent on the revenues generated from the water and wastewater rates.
Utility bills are mailed bi-monthly and include a fixed charge and a consumption rate. These bills will continue to be calculated and mailed, however the penalty and interest will not be charged until October 1, 2020.

There has been the suggestion to eliminate the Fixed Water/Wastewater Charge for Closed Business and Front Line Workers. The Fixed charges for water and wastewater support the contribution for the Water and Wastewater Asset Replacement Reserve Funds. These Reserve Funds are used to pay for capital improvements/replacements to the Water/Wastewater systems. Staff did an estimate of waiving the fixed charges for all businesses/front line workers and it is approximately $26,260 per month or for 6 months $157,560. Criteria would have to be established and administered by staff. Staff do not recommend this option as the fixed charges are for asset replacements that will still need to occur. Administratively, it would be time consuming to determine the eligibility of customers.

**E. The Blue Mountains Strategic Plan**

Goal #4: Promote a Culture of Organizational and Operational Excellence
Objective #4: To Be a Financially Responsible Organization

**F. Environmental Impacts**

None.

**G. Financial Impact**

Waiving the penalty and interest for 3 additional months will result in approximately $10,000 in lost revenue.

**H. In consultation with**

Ruth Prince, Director of Finance & IT Services
Christine Ostermeier, Utility Account Coordinator

**I. Public Engagement**

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. Comments regarding this report should be submitted to Kris Couture, Manager of Revenue, at finance@thebluemountains.ca
J. Attached

None.

Respectfully Submitted,

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Kris Couture
Manager of Revenue

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Ruth Prince
Director of Finance and IT Services

For more information, please contact:
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