

# The Corporation of the City of Kawartha Lakes

## Council Report

Report Number CORP2017-007

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**Date:** April 18, 2017

**Time:** 2:00 p.m.

**Place:** Council Chambers

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**Ward Community Identifier:** All

**Subject:** Corporate Billing and Collection Policy

**Author/Title:** Christine Norris

**Signature:**   
Manager, Revenue & Taxation/Deputy Treasurer

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### Recommendation(s):

**RESOLVED THAT** Report CORP2017-007, **Corporate Billing and Collection Policy**, be received; and

**THAT** the policy entitled **Corporate Billing and Collection Policy** appended to Report CORP2017-007 be adopted, numbered and inserted in the Corporate Policy and Procedures Manual; and

**THAT** the following policies and appended forms be rescinded and removed from the policy manual:

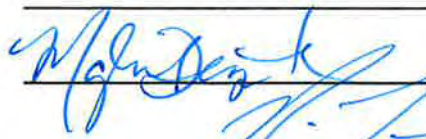
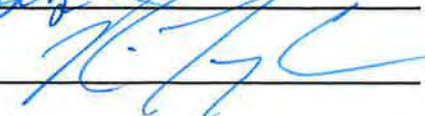
048-FD-001	Tax Billing and Collection Policy
107-FD-011	Accounts Receivable Billing and Collection Policy
C197-FIN-019	Water and Wastewater Collection Policy
C198-FIN-020	Water and Wastewater Billing Policy
109-CCS-013	Parks, Recreation and Culture Fees and Charges Policy

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**Department Head:**

**Corporate Services Director / Other:**

**Chief Administrative Officer:**

## **Background:**

At the February 2, 2017 Executive Committee, the CAO and Director of Corporate Services requested a Council committee be established to review the existing Council Financial Policies.

The Committee was established with Councillor Dunn appointed as Chair and Councillor Elmslie, Councillor Junkin and Councillor Pollard were appointed as Committee members. The Committee commenced meetings on February 21, 2017.

On February 21, 2017 and March 7, 2017 the Committee reviewed the attached Policy and recommended forwarding the Policy to Executive Committee for support.

The Executive Committee provided support and a recommendation to forward the policy to Council for consideration on April 6, 2017. This report is in support of the proposed Corporate Billing and Collection Policy attached to the Report.

## **Rationale:**

The attached policy is a consolidation of policies for the billing and collection of property taxes, water and wastewater, accounts receivable, and parks, recreation and culture revenues recognizing a corporate approach is appropriate for all municipal revenues.

For illustration purposes only, draft Management Directives have been provided and will be provided to the Chief Administrative Officer (CAO) for review and approval once the policy is adopted by Council. Management Directives provide an operational framework to implement Council policies offering further details with respect to operational expectations, supported by standard operating procedures developed by the department, after approval of the Management Directions, for staff.

## **Other Alternatives Considered:**

Not applicable

## **Financial Considerations:**

Not applicable

## **Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:**

This report is in alignment with the City's strategic plan with respect to Responsible Fiscal Resource Management.

## **Review of Accessibility Implications of Any Development or Policy:**

Not applicable

## **Servicing Comments:**

Not applicable

## **Consultations:**

Council Appointed Financial Policy Review Committee  
Manager, Parks, Recreation and Culture  
Director, Community Services  
Executive Committee

## **Attachments:**

### **Recommended Policy:**



Corporate Billing and  
Collection Policy.doc

### **Draft Management Directives:**



Billing and Collection Parks, Recreation  
Management Directive and Culture Manager

### **Policies to be removed from the Policy Manual:**



C197-FIN-019 Water and Wastewater Coll C198-FIN-020 Water and Wastewater Billin 048 FD 001 Tax Billing and Collection 107 FD 011 Accounts Receivable Billing and 109 CCS 013 Parks and Recreation and Cultu

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**Department Head:** Mary-Anne Dempster

**Department File:**

Council Policy #:	
Council Policy Name:	Collection and Billing Policy
Date Approved by Council:	
Date revision approved by Council:	
Related SOP, Management Directive, Council Policy	Property Tax Collection and Billing Management Directive

## Policy Statement and Rationale:

This Policy establishes the billing and collection expectations of Council.

## SCOPE:

This policy covers Property Tax, Water and Wastewater, Accounts Receivable and Parks, Recreation and Culture Billing and Collection. Provincial Offenses are excluded.

## DEFINITIONS:

**“Base Rate”** is the fee identified in the Consolidated Fees By-law.

**“Basic Service”** are services offered to the public free of charge with the costs covered through the annual budget process. Examples include free play in playgrounds, use of City parks or trails for passive use, beaches, paths and restrooms, unscheduled, unlighted, unmarked sports fields, unscheduled outdoor sport courts, unreserved picnic tables and shelters.

**“Community Event”** is an event that provides a service to the broader public and is not exclusionary in nature. The following are not considered to be community events: private community event/festival or is by invitation only, a privately produced event/festival initiated, organized and implemented by a private sector entrepreneur or company, a fund raising event/festival, or an awards ceremony or banquet.

**“Enhanced Services”** are services that incur additional costs or are provided for the benefit of a particular individual or group rather than the general public. Programs/facility rentals that require special instructional materials or additional personnel, use of consumable materials, or require additional preparations, facilities, utilities or set-up/clean-up are enhanced services. Examples of enhanced services are use of sports officials and/or league attendants to officiate sports leagues, instructors for classes to special interest areas, transportation and admission tickets for trips to amusement parks, sports events, cultural activities and museums, scheduled use of indoor facilities, scheduled use of lighted and specialized sportsfields,

swimming pools, arenas, use of parkland or trails for special events and reserved picnic tables and shelters.

## **POLICY:**

### **1.0 General Guidelines**

- 1.1 The Municipality shall bill monies owed in accordance with Provincial legislation and Municipal By-Laws.
- 1.2 Payment of the net amount will be accepted if received on or before the due date, or processed by the Bank on or before the due date. The amount payable after the due date incorporates a penalty charge.
- 1.3 Late payment charges shall be in accordance with the Municipal Act and Municipal By-laws.
- 1.4 Late payment penalties shall be incurred from the first day of default with interest charged on the first day of each month thereafter.
- 1.5 Late payment charges and Interest are adjusted only as a result of the Municipality's error or omission.
- 1.6 Interest shall be charged on amounts owing to the City of Kawartha Lakes in accordance with City By-laws, or as stated in the Agreement signed by both the debtor and the municipality.
- 1.7 The Municipality shall use all legislated collection methods such as but not limited to: suspension of service, denial of access to future facility bookings and/or programs, additions to the Tax Roll, bailiff, rent arrearage, collection agency, Municipal Tax Sale and legal action.
- 1.8 Returned payments from the bank as non-negotiable are assessed a fee set by the Consolidated Fees By-Law.
- 1.9 The Municipality may write-off balance of an account for corporate and Parks, Recreation and Culture receivables. The threshold will be set as part of the management directive.

### **2.0 Water and Waste Water Billing and Collections**

- 2.1 Water and Wastewater Invoices will be calculated on a cyclical basis.
- 2.2 Water and Wastewater Invoices will be mailed a minimum of twenty-one (21) days prior to the due date.
- 2.3 Customers will be billed for their consumption based on their meter reading.
- 2.4 The property owner is responsible for the costs of all water and sewer charges if the property is occupied by tenants.
- 2.5 During the period of disconnection, the customer is responsible for all monthly charges not related to consumption.
- 2.6 Fees in relation to Water and Sewer Collections are established by by-law and may be changed at the discretion of Council.
- 2.7 The Municipality may write-off balance of a finalized account. The threshold will be set as part of the management directive.

## 3.0 Property Tax Billing and Collection

- 3.1 In accordance with the provisions of the Municipal Act, the Municipality shall have a minimum tax bill as established in the annual Tax Levy By-law. The amount levied in excess of the assessment times the tax rate becomes part of the general funds of the municipality.
- 3.2 Property Tax billing shall be completed on a timely basis consistent with budgetary requirements and cash flow needs of the Municipality.
- 3.3 Interim tax billings shall be produced in January based on 50% of the annualized taxes of the property for the previous calendar year.
- 3.4 In accordance with the Municipal Act, taxes shall be recovered with costs as a debt due to the municipality from the taxpayer originally assessed for them and from any subsequent owner of the assessed land or any part of it.
- 3.5 The Municipality may issue a warrant to distrain for property taxes if the taxes remain unpaid for a period of fourteen days after the installment due date.
- 3.6 The City shall apply amounts payable to a supplier of any goods and/or services to any outstanding realty taxes owed to the City.
- 3.7 The City shall apply unpaid invoices due to the City for any goods and services to the Tax Roll for collection in accordance with the Municipal Act.

## 4.0 Accounts Receivable

- 4.1 Accounts Receivable applies to accounts excluding Property Taxes, Water and Wastewater activity and Provincial Offenses.
- 4.2 City staff assigned to the administration and collection of accounts receivable accounts shall adhere to the policy, management directive and procedures.
- 4.3 Accounts Receivable shall be invoiced on a routine basis in accordance with Municipal standards and in agreement with signed contracts.
- 4.4 The Municipality shall assign accounts to a third party for collection, on behalf of the municipality, and, where authorized by legislation, add the delinquent amount to the property tax account.
- 4.5 The Municipality shall establish in accordance with governing accounting standards a provision for doubtful accounts.
- 4.6 Statements of outstanding accounts shall issue on a cyclical basis.

## 5.0 Parks, Recreation and Culture

- 5.1 Basic Services shall be provided free of charge.
- 5.2 Enhanced Services shall be provided at a fee.
- 5.3 Senior citizen residents may receive discount of the City's base rate for programming and not including facility rental fees.
- 5.4 Physically challenged residents as defined by Section 25 of the Canadian Human Rights Act and are restricted in wage earning power or ability to pay may apply for a reduction of the base rate for programming and not including facility rental fees.
- 5.5 Not-for-Profit groups hosting community Canada Day Events in municipal parks are exempt from park permit fees for the event.

- 5.6 Not-for-Profit groups hosting community events shall be provided a discount to the City's base rate for community hall rental fees to a maximum of two times per year.
- 5.7 Special consideration for discounts shall be considered by the Director for groups sponsored by the Division or provide in-kind volunteer services or revenue donations to the Division, e.g. minor sport associations.
- 5.8 Proprietary or commercial groups for financial gain or provide shall be charged a rate higher than the base rate for the facility rental fee.
- 5.9 Fees for non-residents shall be higher than the base rate for admission, reservations/rentals, and participation.
- 5.10 If a high risk activity is held fees shall be sufficient to cover the City's direct costs associated with the event. Activity sponsors will be required to meet City insurance requirements.
- 5.11 The use of City owned sign boards located at City recreational facilities shall be provided free of charge, based upon availability, for not-for-profit community based youth sports organizations to promote and recognize special achievements.
- 5.12 All rental permits must be signed and returned as confirmation of bookings and understanding of facility rules and regulations. Refunds may not be provided for cancelled bookings.
- 5.13 Payment for all program registration fees and membership fees are due in full at time of registration.

## 6.0 Responsibilities

- 6.1 Council is responsible to establish the City's philosophy through this policy.
- 6.2 The Chief Administrative Officer is accountable to approve the detailed management directives that establish the operational framework.
- 6.3 Corporate Services is responsible to ensure that the City's Policy and Management Directive are adhered to.

## Revision History:

Revision	Date	Description of changes	Requested By

# Management Directive

Management Directive #:	
Management Directive Name:	Billing and Collection Management Directive
Date Approved by CAO or Designated Person:	
Date revision approved by CAO or Designated Person:	
Related SOP, Management Directive, Council Policy	Billing and Collection Policy

## Directive Statement and Rationale:

The Management Directive has been established to provide the framework of expectations to provide guidance and direction to City staff to fulfill the operational requirements.

## Scope:

This management directive covers Property Tax, Water and Wastewater and general Accounts Receivable Billing and Collection. Provincial Offences are excluded.

## Management Directive:

### General Guidelines

- All invoicing shall be completed in accordance with Provincial legislation, proper accounting standards and municipal By-Laws, Policies, management directives and procedures.
- A charge established under the Consolidated Fees By-Law will be applied to the customer's account for each payment returned to the City of Kawartha Lakes as a result of a dishonoured payment.
- Payments received in US funds will be accepted at the exchange rate established by the City's financial institution
- When an error occurs, the Revenue and Taxation Manager, or designate, will review the account and supporting documentation to determine if the error was a result of action taken by the municipality and if late payment charges should be cancelled.
- If during any calendar year the City receives two (2) dishonoured payments, the customer will be notified that all future payments on the account must be in the form of cash, certified cheque, money order or debit. After one (1) year without incident, this restriction may be removed.
- Third Party cheques are not accepted



# Management Directive

## Water and Wastewater Billing and Collections

- Water and wastewater readings for customers will be collected on a quarterly basis with the exception of large users where readings will be collected monthly.
- Due dates will be the last business day of each month, according to the established billing cycle for the specific areas.
- If during the billing period, the customer for any reason supplies temporary water to another property, a reading will be taken before the temporary water is connected and when the temporary connection removed. The difference between the start reading and the end reading will then be adjusted on the utility account. The difference will remain unbilled as consumption cannot be accurately apportioned.
- If a payment is received after the due date, and the payment only reflects the net amount due, the penalty charge will remain outstanding until the next bill is issued.
- A minimum of five (5) business days' notice is required for the temporary disconnection or reconnection of service unless it is an emergency. The customer or designate must be in attendance while service is disconnected or reconnected. A fee shall be charged for this service.
- Where the municipality has been notified in writing that a final meter reading is required as a result of a property sale, the final meter reading shall be done on the day requested or as close as possible to that date. The reading should be obtained from the actual meter whenever possible.
- When a water and wastewater account has been finalized, if the balance is credit or debit balance of less than \$25.00, the amount will be written off, no further action will be taken.
- Final bills will be mailed to the address provided with the request for a final meter reading.
- Reminder notices will be sent to the billing address for balances that are \$100 or more. Account balances of less than \$100.00 will appear as past due on the next bill.
- Accounts remaining unpaid for a period of ten (10) business days beyond the date of the Reminder Notice with a balance over \$100.00 will be issued a Final Notice. Balances under \$100.00 will appear as past due on future bills.
- A Final Notice shall be delivered to the account holder at the address for service on record via registered mail. A fee will be charged for this service.
- Flat rate wastewater accounts will receive a mailed Final Notice outlining collection steps the City will take. Flat rate wastewater accounts cannot be disconnected. A fee will be charged for this service.
- If no response is received within five (5) business days to the Final Notice, the water service is subject to disconnection or in the case of a tenanted property, or where the service cannot be disconnected transferred to property taxes for collection.
- Disconnection of service for non-payment will be made Monday – Thursday, 8am-3pm. A meter reading will be taken at the time of disconnection and additional readings will be taken every seven (7) days that the service remains disconnected.

# Management Directive

- Account must be paid in full or satisfactory payment arrangements agreed upon to have service reconnected.
- Services reconnected during regular business hours shall pay a reconnection fee.
- Service reconnections required after 3 p.m. or after hours are subject to increased After Hours Reconnection Fee if applicable.
- Should the service remain disconnected for 30 days with no contact from the property owner the arrears will be transferred to the property tax account where the public utility was provided pursuant to section 398(2)1 of the *Municipal Act, 2001*. Additional fees will be charged as per City By-law 2011-260. The service will remain disconnected until contact with the City has been made.
- Should the service be unable to be disconnected due to equipment failure or inaccessibility, the disconnection fee will be charged and the outstanding balance will be added to the tax roll of the service address with no additional fee charged in the transfer to taxes.
- Should the service be unable to be disconnected due to the curb stop being inaccessible due to owner or occupant alterations (i.e. pavement, tree, etc., the occupant will receive notice in writing stipulating the curb stop must be made accessible within fourteen (14) days. Should the curb stop remain inaccessible, the costs incurred by the City in making the curb stop accessible will be added to the account.

## Property Tax Billing and Collection

- The tax bill will fully comply with the Standardized Tax Bill format as defined by legislation.
- The Interim Tax Invoice is produced in January - The tax billing may include local improvement charges, area charges, business improvement area charges and any special charges levied by the municipality or provincial government. Outstanding charges authorized by legislation may be added to the interim billing at 100%.
- Final tax invoices are produced subsequent to the passing of the annual municipal budget and are based on tax rates established by by-law from the budget requirements of the Municipality and the Ministry of Finance, in relation to the education tax rate.
- Due dates for the payment of taxes shall be dependent, in the case of the Final Bill, on the final approval of the Budget by Council and the subsequent passing of a levy by-law. While there may be fluctuations as a result of budget approval, tax billings will normally be as follows:
  - Interim invoice – the second last business day of February and April
  - Final invoice – the second last business day of June and September
- When a credit appears on the tax account as a result of an overpayment, it will be applied to future instalments. For overpayments exceeding \$100, the taxpayer may, request in writing, to have the overpayment refunded.
- Any monetary exchange differential received or incurred on tax payments shall be applied to the tax payers account.

# Management Directive

- The rate at which penalty and interest is charged is set by the Municipal By-Law. The municipality may review this rate each year, but cannot exceed the maximum percentage established in the Municipal Act.
- Reminder notices for the current year are sent after each installment due date of each billing cycle. Notices are to be mailed no later than the 15<sup>th</sup> of the month. Reminder notices for \$100.00 or less are not produced.
- Letters and correspondence shall encourage payment.
- The Municipality may issue a warrant to distrain for property taxes if the taxes remain unpaid for a period of fourteen days after the installment due date.
- The Municipality may, after adequate notice, seize the rents of a tenanted property upon giving proper notice to the tenant.
- If rent arrearage is chosen as a collection tool, the Manager of Revenue and Taxation will give notice to the tenant in writing requiring the tenant to pay the rent normally paid to the Landlord to the Municipality until the unpaid balance is paid.
- The Manager of Revenue and Taxation has the same authority as the landlord of the premises to collect the rent by seizure or otherwise to the amount of the taxes due and unpaid costs, but by collecting the rent the municipality does not assume the responsibilities of the landlord.
- Properties in arrears for three years are eligible for tax registration under the Municipal Act. The property owner or interested party has one year from the date of registration in which to redeem the property for all taxes, interest and penalty outstanding, including any associated costs. A contracted tax registration firm may be used to process the required statutory notices/declarations. The administration fee associated with this process is in addition to the charges by the third party firm completing the required statutory notices/declarations.
- Tax registration will be used as a last resort.
- Failure to notify the Tax Office of an address change in writing is not an error. The Municipal Act identifies that tax bills shall be sent to the taxpayer's residence or place of business or to the premises where the taxes are payable for, unless the taxpayer directs the municipality otherwise. The direction for the delivery of tax bills continues until it is revoked in writing by the taxpayer.
- The City of Kawartha Lakes may apply amounts payable to a supplier of any goods and/or services to any outstanding realty taxes owed to the City. Notice of the latter will be given to the supplier in advance of the deduction or application of payment to realty taxes owed.
- Small balances of less than \$10.00 will be written off.

## Accounts Receivable

- Departments are responsible for the effective communication with Revenue and Taxation, ensuring that accounts receivable are adequately reported, collected, extinguished or written off as appropriate.
- The Revenue and Taxation Division is authorized to collect delinquent non-tax debts on behalf of the Municipality for Departments within the City.
- All amounts determined to be due to the municipality must be promptly recorded as an accounts receivable by the city.

# Management Directive

- The City must maintain subsidiary accounts for individual debtors in a manner that discloses, at a given point in time, the aggregate amount owed by each debtor as well as individual amounts making up the aggregate amount.
- Where an amount is due under a loan or other agreement, the debtor must be notified at least 21 days before the due date. If interest is to be assessed for late payment, it must be specified on the invoice and statement.
- The City must advise each debtor of all interest charges to the debtor's account through periodic statements of account.
- When a debt has been written off, the City must stop recording interest as revenue and an amount owing. If a debt that was written off is reactivated, the municipality must record interest (simple interest calculation) from the date the debt was written off until the debt is paid.
- Accounts receivable, in most cases, should be at least 30 days overdue (i.e., 60 days after invoice notification), before:
  - Revoking credit privileges
  - Suspending service
  - Initiating legal action
  - Remitting the account to a private collection agency
- The municipality may recover debts owed by Set off against payments made by the municipality (if not restricted under legislation)
- Before initiating a trust account set-off, staff must obtain a legal opinion that this action is acceptable, either under statutes governing the trust or under the trust instrument itself.
- The municipality must not use private collection agencies for debts due from the following:
  - Provincial entities, agencies, trusts and other municipalities
  - Municipal employees (as these are handled through set-off)
  - Participants in a current appeal or court proceeding
- Only those debts for which all reasonable and appropriate collection action has been taken can be submitted for write-off
- Staff must ensure that uncollectible debts are reviewed at least once a year and identify those debts that should be submitted for write-off.
- Staff are not required to submit the following debts to the Revenue and Taxation Manager for write-off:
  - bankrupt individuals – when an order of discharge has been granted, the municipality must remove the account on the basis of the order
  - judgment or other court orders – when it is determined that the municipality can collect a lesser amount than the recorded debt, the municipality must adjust the account on the basis of the court's order
  - restrictions imposed by statute – where a statute restricts the amount of a debt, the city must adjust the account on the basis of the recoverable amount
- After consulting with the Revenue and Taxation Manager and/or legal counsel, the city may accept a compromise settlement of a debt. A portion of the original debt must be written off as identified under the terms of an agreement.

# Management Directive

- Small balances of less than \$10.00 will be written off.

## Records Retention

Corporate Services is responsible for the collection, retention and proper storage of all records in accordance with all applicable legislation and city by-laws and shall work in consultation with the City Clerk's Office to ensure all *Municipal Freedom of Information and Protection of Privacy Act* rules are met.

## Revision History:

Revision	Date	Description of changes	Requested By

# Management Directive



Management Directive No.:	
Management Directive Name:	<b>Parks, Recreation &amp; Culture Billing and Collection Management Directive</b>
Date Approved by CAO or Designated Person:	
Date revision approved by CAO or Designated Person:	
Related SOP, Management Directive, Council Policy, Forms	

## Directive Statement and Rationale:

The Management Directive has been established to provide the framework of expectations to provide guidance and direction to City staff to fulfil the operational requirements.

## Scope:

This Management Directive is to provide guidance to staff and to provide a basis for decision-making related to the development, assessment, administration and collection of fees and charges for Parks, Recreation and Culture Division services.

## Management Directive:

- Program administrative costs as well as the cost of the services and supplies associated with the provision of an enhanced service shall be offset by the assessment of an appropriate fee.
- Fees must be thoroughly evaluated prior to inception to integrate them into the fiscal matrix supporting public parks, recreation and culture services.
- An enhanced parks, recreation and culture service has a fee charged because one or more of the following criteria exist:
  - Cost per hour of the service or operating the facility is expensive. This may be so where:
    - The service uses consumable materials;
    - The service requires a facility with high capital, operating or maintenance costs;
    - The service requires special preparation or clean up;
    - The service requires special instruction at extra cost.
  - A fee will expand activities for all people, at the least possible cost to the majority of citizens; therefore, charging a fee assists in providing activities of a special nature that extends recreation programs beyond normal operation. However, the

# Management Directive



- extension of recreation services should be based on community needs not primarily on the revenue producing potential of the service.
- Use of the service or facility is limited to a relatively few individuals or special interest groups of a private character; therefore, those who directly benefit to the exclusion of others should pay extra for the privileges enjoyed.
  - Public property is used for private economic gain; therefore, the fees and charges for use of public recreation and park facilities by private and closed membership groups should be comparable to commercial rates.
  - Admission to special events where profits are used to extend or cover the cost of the event.
  - The public demands more activities and more services but are unwilling to increase taxes to pay for them.
  - Prior to booking a high risk activity (e.g. archery, concerts, kayaking, BMX, skate boarding), the request shall be reviewed to determine if the potential revenue from such an activity and/or facility use is sufficient to outweigh the City's liability exposure. The determination shall be made by meeting with the City attorney and Parks, Recreation and Culture Division staff.

## Types of Fees

- The City of Kawartha Lakes will utilize five (5) basic fees. They are:
  - Admission Fee  
A fee charged for entry into a building or structure. Some type of program, event, demonstration, or exhibit to attract visitors is usually offered. A swimming pool is an example of a facility where an admission fee may be required.
  - Rental Fee  
Payment for the exclusive use of a facility. The individual pays for the privilege of using the facility without interference. For example, if a Hall is rented for a family reunion, the group has exclusive use during the rental period. Extra equipment or staff time for set-up, take down or clean-up, could also be covered by the fee.
  - User Fee  
A charge to an individual or team for participation in a program or activity or for non-exclusive use of a facility. Numerous participants are usually involved in the activity or facility at the same time. The registration fee for a child to take part in a swim lesson program or the fees charged for adult softball (players and team) are examples of user fees.
- License or Permit Fee

# Management Directive



A privilege to perform a particular action. The payment for permit or license to use the parks for profit or commercial enterprise.

- Special Services Fee

A charge for receiving extraordinary services beyond customary levels or for having the use of special equipment or facilities where the benefits are specific to the individual or group that requests the service. Instructional classes in drama or running are examples of special services for which fees could be charged.

## Discounted Fees:

- Senior citizen residents may receive discount up to 25% of the City's base rate for programming and not including facility rental fees.
- Physically challenged residents as defined by Section 25 of the Canadian Human Rights Act and are restricted in wage earning power or ability to pay may apply for a reduction up to 25% of the base rate for programming and not including facility rental fees.
- Not-for-Profit groups hosting community events shall be provided a 40% discount to the City's base rate for community hall rental fees to a maximum of two times per year.
- Proprietary or commercial groups for financial gain or provide shall be charged a rate 25% higher than the base rate for the facility rental fee.
- Fees for non-residents shall be 25% higher than the base rate for admission, reservations/rentals, and participation.

## Commercial Use of Facilities:

- Safeguards are necessary to ensure proper use of public facilities when requests are received by the Division to conduct commercial or promotional activities.
  - Requisites for Approval:
    - Commercial and promotional activities in parks, recreation and culture facilities should be authorized only if they provide a positive public service and meet a legitimate public need.
    - Commercial or promotional activities on City property should be permitted only when they are clearly not in conflict with ongoing Division sponsored programs, or if the program can be conducted without any restriction of public use for an unreasonable period of time.
    - Commercial or promotional use of public facilities including use of public names of structures should not be authorized if such use constitutes an expressed or implied endorsement of commercial products, services, or activities.



# Management Directive



- In some cases the Division may establish a formal bid process, as per the Purchasing Policy, for commercial uses such as food and/or beverage vendors.
- Charges for Commercial Activities:  
All costs incurred by the Division resulting from commercial use of a Parks, Recreation and Culture facility should be recoverable as part of the special service fee.
  - Groups or organizations conducting commercial activities on Division property must pay the commercial fee for use of the facility.
  - Also, sponsors of profit-making, commercial activities conducted on Division property must provide the City with evidence of comprehensive general liability sufficient to protect the City against risk, with a limit as recommended by the City's Insurance provider for each occurrence, which names the City as an additional insured, or Certificates of Insurance acceptable to the Manager.
- Charges for Charitable (non-sponsored) Activities:
  - Charitable, not-for-profit, community-serving organizations which conduct an event on Division property for the purpose of raising funds, not sponsored by the Department, must pay the appropriate rental fee.
  - Charitable, not-for-profit, community-serving organizations should also provide the City with evidence of comprehensive general liability insurance sufficient to protect the City against risk, with a limit as recommended by the City's Insurance provider for each occurrence, which names the City as an additional insured, or Certificate of Insurance acceptable to the Manager.
- Charges for Department Sponsored Activities:
  - Community-serving organizations which conduct an event, in partnership with the Department, may not be required to pay facility rental fees.

## Procedure:

- Calculating Fees and Charges
  - Cost accounting will be used to calculate the cost of offering the program or service.
  - Direct costs (officials, instructor, sportsfield lighting, equipment, etc.) will be charged at 100 per cent to the program or facility use.
  - Indirect costs (administration costs, etc.) may be charged to each program or facility use based upon a percentage of the costs of each of these items.

# Management Directive



- Capital Development Surcharge may be assessed against all recreation programs and rentals as approved by City Council.
- Fees and Charges Approval Process
  - Fees and charges established on the principle of full cost recovery can be approved by the Director.
  - Market and discount pricing for initiatives within budget and/or with a goal to improve budget performance can be approved by the Director.
  - Subsidized or discount pricing not approved as part of the budget process and with a potential negative impact on the budget will be approved by Council.
  - Residents requesting subsidy may do so through the Director or designate. Based on Parks, Recreation and Culture philosophies those that are unable to take advantage of the regular services because of either financial restrictions or physical or mental disabilities will be considered. The Director shall ensure that confirmation of need is identified appropriately through a third party recommendation where possible. Approvals not impacting on budget will be approved by the Director up to \$100 per annum per person. Further approvals will require the consensus of a Committee to be comprised of the Director, the CAO, and Chair of the Community and Emergency Services Committee. Where possible, sponsorship for such identified need will be pursued.
  - Where approval of Council has been identified above, such approval shall be handled through recommendations in reports presented to Council.
- Evaluation of Policy and Fees and Charges Schedule

The Parks, Recreation and Culture Division shall annually review the Fees and Charges Policy and the Fees and Charges Schedule and make recommendations for adjustments to be adopted by Council.

## Parks Recreation and Culture Billing

- Where an amount is due for Ice, Arena Floor, Parks and Sportsfield Permits the following applies:
  - City will pre-bill all full season ice users twice during the Winter season (September and January).
  - Full season users during the Spring and Summer seasons will be pre-billed once at the start of the season.

# Management Directive



- Sportsfield and arena floor user groups will be pre-billed once at the start of the season.
- Payment for part season or single bookings are due at the time of booking.
- Where an amount is due for Community Hall Permits the following applies:
  - Ongoing facility booking user groups will be pre-billed at the start of the permit and mid-point.
  - Payments for hourly events are due in full at the time of booking.
  - Payments for events booked less than three months in advance are due in full at time of booking.
  - Events that are booked greater than three months in advance require a deposit of 50% of the total fee at the time of booking. This deposit is non-refundable. The remaining 50% and any other fees are due three months prior to the event date. Any cancellation notification received less than three months prior to the booking date will forfeit the entire rental fee.
- Alternate payment plans may be available at the discretion of the Manager of Parks, Recreation and Culture.

## Payments

- Third party cheques will not be accepted.
- After receipt of two payments returned as Non-Sufficient Funds (NSF) from a customer future payments must be made in another format where money is immediately received from the customer. This restriction will be in place for a period of one year.
- If there is a reoccurrence of two or more NSF payments, that payment method will no longer be accepted.
- Should payment be tendered in US funds, it will be accepted at the exchange rate established by the financial institution holding the accounts of the municipality on that day.

## Collection

- Where a balance amount is small enough that the additional cost of collection would not be deemed worthwhile, it may be expedient to write the amount off.
- The City authorizes the Manager of Parks, Recreation and Culture to approve such write-offs for amounts less than \$10.00.
- It shall be at the discretion of the Manager of Parks, Recreation and Culture to decide whether or not the interest amount should be adjusted.

# Management Directive



## Revision History:

Proposed Date of Review:

Revision	Date	Description of changes	Requested By
0.0	[Date]	Initial Release	

## **CORPORATE POLICY AND PROCEDURES MANUAL**

Policy No:

**C197**

**FIN**

**019**

Policy Name:

**Water and Wastewater Collection Policy**

DEVELOPED BY: Greg Bedard, Municipal Finance Intern  
DEPARTMENT: Corporate Services

DATE: Jan. 28/13

REVIEWED BY: Directors  
APPROVED BY: Chief Administrative Officer

DATE:  
DATE:

RESOLUTION CR2013-157  
NUMBER:

EFFECTIVE: Feb.12/13

CROSS-REFERENCE:

REVISIONS:

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### **POLICY STATEMENT AND RATIONALE:**

To establish a set of collection practices that are fair and equitable and to ensure consistent processes are followed.

### **SCOPE:**

The *Water and Wastewater Collection Policy* applies to all water and wastewater service accounts within the geographic boundaries of the City. City staff assigned to the administration of water and wastewater accounts shall adhere to the policy and procedures detailed below.

### **DEFINITIONS:**

In reading and interpreting the *Water and Wastewater Collection Policy*, the following definitions apply:

- a) "City" means The Corporation of the City of Kawartha Lakes.

### **POLICY, PROCEDURE AND IMPLEMENTATION:**

#### **1.0 Collection Schedule**

- 1.01 Penalty will be charged the day after the due date and a reminder notice will be prepared.

- 1.02 Reminder notices will be sent to the billing address for balances that are \$25.00 or more. Account balances of less than \$25.00 will appear as past due on the next bill.
- 1.03 Accounts remaining unpaid for a period of ten (10) business days beyond the date of the Reminder Notice with a balance over \$100.00 will be issued a Final Notice. Balances under \$100.00 will appear as past due on future bills.
- 1.04 A Final Notice will be delivered to the service address by City staff and placed in a conspicuous location. The location will be recorded along with the date, time and staff initials for reference purposes. A fee will be charged in accordance to City By-law 2011-260, as amended, for the delivery of the Final Notice.
- 1.05 Flat rate sewer accounts will receive a mailed Final Notice outlining collection steps the City will take. This is due to the service on flat rate accounts cannot be disconnected.
- 1.06 If no response is received within five (5) business days to the Final Notice, the water service is subject to disconnection or in the case of a flat rate account transferred to property taxes for collection.
- 1.07 Disconnection of service for non-payment will be made Monday – Thursday, 8am-3pm. A meter reading will be taken at the time of disconnection and additional readings will be taken every seven (7) days that the service remains disconnected.
- 1.08 Services will be reconnected when payment in full is made, or when satisfactory payment arrangements have been agreed to. Failure to make payments as arranged will result in disconnection of services without further notice.
- 1.09 Reconnection of disconnected services paid in full or upon satisfactory payment arrangements will be made on the same business day until 3pm. Disconnected services paid in full after 3pm, or weekends, will be reconnected during the next business day. Should the customer insist water be turned back on that day the customer will be made aware the After Hours Reconnection Fee will be applied to the account if overtime costs are incurred by the City
- 1.10 Should the service remain disconnected for 30 days with no contact from the property owner the arrears will be transferred to the property tax account where the public utility was provided pursuant to section 398(2)1 of the *Municipal Act, 2001*. Additional fees will be charged as per City By-law 2011-260. The service will remain disconnected until contact with the City has been made.
- 1.11 Should the service be unable to be disconnected due to equipment failure, the disconnection fee will be charged and the outstanding balance will be added to the tax roll of the service address with no additional fee charged in the transfer to taxes.
- 1.12 Should the service be unable to be disconnected due to the curb stop being inaccessible due to owner or occupant alterations (i.e. pavement, tree, etc.), section 1.11 applies. The occupant will receive notice in writing stipulating the

curb stop must be made accessible within fourteen (14) days. Should the curb stop remain inaccessible, the costs incurred by the City in making the curb stop accessible will be added to the account.

- 1.13 Revenue and Taxation - Utility Billing staff will provide the appropriate on-call staff member with the addresses of disconnected services by 4:30 pm each day a disconnection for non-payment occurs.

## **2.0 Final Account**

- 2.01 Where a final bill has not been paid within thirty (30) days, within seven (7) days a letter will be send to:

- The previous property owner at the address provided on the request for the final meter reading;
- The new property owner; and
- The lawyers for each party as applicable;

informing them that should payment not be received within ten (10) business days, the overdue charges will be added to the property tax account in accordance with subsection 398 (2) 1 of the *Municipal Act, 2001*.

- 2.02 In cases where the utility bill is sent to and paid directly by tenants, final bills for tenanted properties will be sent to the person requesting the final meter reading at address provided on the Request for Service. Where there is no response within thirty (30) days, a letter will be sent to the property owner within seven (7) days indicating that notice was sent to the tenant for payment and the account is remains outstanding. Notice will advise payment is required within ten (10) business days or the amount due will be transferred to the tax roll and incur additional costs.

## **3.0 Dishonored Payments**

- 3.01 If during any calendar year the City receives two (2) or more dishonoured cheques or preauthorized payments, the customer will be notified in writing that the City will only accept payment on the subject account in the form of cash, certified cheque, money order or debit, until the customer has established a good payment record for one (1) year.

- 3.02 A charge will be applied to the customer's account for each payment returned to their financial institution in accordance with By-law 2011-260.

## **4.0 Late Payment Charges**

- 4.01 Late payment charges are adjusted only if it was charged as a result of the City's error or omission. The Corporate Services Manager – Revenue and Taxation, or designate, will review the situation to determine if the error was a result of action taken by the municipality.

## **5.0 Small Balance Write Off**

- 5.01 When an account has been finalized, if the balance is less than \$25.00, this amount will be written off, and no action will be taken to recover this amount.

## **6.0 Schedule of Fees**

- 6.01 Fees in relation to Water and Sewer Collections are established by by-law and may be changed at the discretion of Council.



## CORPORATE POLICY AND PROCEDURES MANUAL

Policy No:

C198	FIN	020
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Policy Name:

**Water and Wastewater Billing Policy**

DEVELOPED BY: Greg Bedard, Municipal Finance Intern  
DEPARTMENT: Corporate Services

DATE: Jan. 28/13

REVIEWED BY: Directors  
APPROVED BY: Chief Administrative Officer

DATE:  
DATE:

RESOLUTION CR2013-002  
NUMBER:

EFFECTIVE: Feb. 12/13

CROSS-REFERENCE:

REVISIONS:

### **POLICY STATEMENT AND RATIONALE:**

To establish a set of billing practices that are fair and equitable and to ensure that consistent processes are followed.

### **SCOPE:**

The *Water and Wastewater Billing Policy* applies to all water and wastewater service accounts within the geographic boundaries of the City. City staff assigned to the administration of water and wastewater accounts shall adhere to the policy and procedures detailed below.

### **DEFINITIONS:**

In reading and interpreting the *Water and Wastewater Billing Policy*, the following definitions apply:

- a) "City" means The Corporation of the City of Kawartha Lakes.

### **POLICY, PROCEDURE AND IMPLEMENTATION:**

#### **1.0 Schedule of Dates**

- 1.01 Water and sewer readings for customers will be collected on a quarterly basis with the exception of large users where readings will be collected monthly.

- 1.02 Water and sewer bills will be mailed a minimum of twenty-one (21) days prior to the due date.
- 1.03 Due dates will be the last business day of each month, according to the established billing cycle for the specific areas.

## **2.0 Water Usage**

- 2.01 Customers will be billed for their consumption recorded by the meter between meter reading dates.
- 2.02 In the case of a meter reading discrepancy, the inside meter takes precedence.
- 2.03 If during the billing period, the customer for any reason supplies temporary water to another property, a reading will be taken before the temporary water is connected and when the temporary connection removed. The difference between the start reading and the end reading will then be adjusted on the utility account. The difference will remain unbilled as consumption cannot be accurately apportioned.
- 2.04 A special meter reading may be requested in writing. A special meter reading is a reading requested other than normal scheduled readings for billing or a final bill. A fee in accordance with By-law 2011-260 shall apply.

## **3.0 Method of Bill Delivery**

- 3.01 Customers will receive their bill delivered to the address of the service provided, or at a different address if specified in writing.
- 3.02 Customers wishing to receive their bill electronically may register with *epost*™ through Canada Post.
- 3.03 Fees apply for additional copies of water and/or sewer bills.

## **4.0 Payment**

- 4.01 Payment of the net amount will be accepted if received on or before the due date, or processed by the Bank on or before the due date. The amount payable after the due date incorporates a penalty charge of 5%.
- 4.02 Payments received after the due date should be for the amount identified on the bill as the amount due after the due date.
- 4.03 If a payment is received after the due date, and the payment only reflects the net amount due, the 5% penalty charge will remain outstanding until the next bill is issued.

## **4.0 Tenanted Properties**

- 5.01 The property owner is responsible for the costs of all water and sewer charges if the property is occupied by tenants.

## **6.0 Temporary Disconnection and Reconnection of Service**

- 6.01 A minimum of five (5) business days' notice is required for the temporary disconnection or reconnection of service unless it is an emergency. The customer or designate must be in attendance while service is disconnected or reconnected.
- 6.02 During the period of disconnection, the customer is responsible for the fixed monthly charge.
- 6.03 Fees will be charged as per City By-law 2011-260 for the temporary disconnection and reconnection of services.

## **7.0 Final Accounts**

- 7.01 Where the municipality has been notified in writing that a final meter reading is required as a result of a property sale, the final meter reading shall be done on the day requested.
- 7.02 Final bills will be mailed to the address provided with the request for a final meter reading.
- 7.03 Where a property has been sold, payment must be received within 30 days of the final bill being issued.
- 7.04 Please refer to Policy # C 197 FIN 019 for the collection of Final Bills.

## **8.0 Dishonoured Payments**

- 8.01 If during any calendar year the City receives two (2) or more dishonoured payments, the customer will be notified in writing that the City will only accept payment on the subject account in the form of cash, certified cheque, money order or debit, until the customer has established a good payment record for one (1) year.
- 8.02 A charge will be applied to the customer's account for each payment returned to the City of Kawartha Lakes as a result of a dishonoured payment.

## **9.0 Late Payment Charges**

- 9.01 Late payment charges are adjusted only if it was charged as a result of the City's error or omission. The Corporate Services Manager – Revenue and Taxation, or designate, will review the situation to determine if the error was a result of action taken by the municipality.

## **10.0 Small Balance Write Off**

- 10.01 When an account has been finalized, if the balance is less than \$25.00, this amount will be written off, no action will be taken to recover this amount.

## **11.0 Schedule of Fees**

- 11.01 Fees in relation to Water and Sewer Collections are established by by-law and may be changed at the discretion of Council.



## CORPORATE POLICY AND PROCEDURES MANUAL

Policy No:

048

FD

001

Policy Name:

### TAX BILLING AND COLLECTION POLICY

DEVELOPED BY: Christine Norris,  
Manager, Revenue and Taxation  
DEPARTMENT: Finance

DATE: 11 JUL  
2002

ADOPTED BY: Council

DATE:

RESOLUTION  
NUMBER:

EFFECTIVE:

CROSS-  
REFERENCE:

REVISIONS:

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### POLICY STATEMENT AND RATIONALE:

Council wishes to ensure prompt billing of the tax levy in order to meet the budgetary expenditures of the Corporation for the fiscal year.

Council wishes to ensure prompt, efficient, courteous and consistent service to all taxpayers of the municipality.

Council wishes to ensure that collection procedures are appropriate within the requirements of the legislation relative to tax collection.

Therefore, Council wishes to establish this policy to ensure a consistent, effective and appropriate Tax Billing and Collection policy

### SCOPE:

This document is to provide guidance to staff and to provide a basis for decision-making relating to Tax Billing and Tax Collection procedures for all taxpayers in the City of Kawartha Lakes.

## **POLICY, PROCEDURE AND IMPLEMENTATION:**

### **1.0 Purpose**

- 1.01** The guidelines contained in this policy serve to supplement the provincial legislation that govern this area, especially for situations where provincial legislation provides a choice, allows for City/Treasurer discretion, and for issues on which the legislation is silent. Legislation which should be reviewed within the context of this policy is the *Municipal Act, 2001*, with particular attention to Parts VIII, IX, X, and XI.

### **2.0 Definitions**

- 2.01** "Manager of Revenue and Taxation" is the employee of the municipality to whom all responsibilities for taxation have been delegated to by By-law 2003-115.
- 2.02** "Third Party cheque" is defined to be a cheque payable to another party other than the City of Kawartha Lakes.
- 2.03** "Treasurer" is the person appointed by the municipality who is responsible for handling all of the financial affairs of the municipality on behalf of and in the manner directed by Council.

### **3.0 Billing**

- 3.01** A levying by-law passed by Council is required in advance of either an Interim or Final tax billing.
- 3.02** Interim tax billings shall be produced in January based on 50% of the annualized taxes of the property for the previous calendar year. The tax billing may include local improvement charges, area charges, business improvement area charges and any special charges levied by the municipality or provincial government. Outstanding charges authorized by legislation may be added to the interim billing at one hundred percent.

The tax billing will clearly identify the municipality, property and owner, state the demand date, the annualized taxes for the prior calendar year, the percentage used to calculate the interim taxes up to a maximum of 50%, and calculated taxes levied and any arrears owing against the property.

- 3.03** Final tax billings are produced subsequent to the passing of the annual municipal budget and are based on tax rates established by by-law from the budget requirements of the Municipality and the Ministry of Finance, in relation to the education tax rate. The tax billing will be calculated to produce a tax billing equal to the current market value and the appropriate tax rate, all local improvement charges, area charges, business improvement area charges, any special

charges levied by the municipality or provincial government. The tax bill will fully comply with the Standardized Tax Bill format as defined by legislation.

- 3.04** The Municipal Act requires tax billings be post marked and mailed not later than twenty one calendar days from the date of the first installment due date. The Municipality will endeavor to post mark and mail the tax billing no less than twenty-eight calendar days prior to the first installment due date wherever possible.
- 3.05** Arrears are included solely in the first installment due date amount. Installment due dates will be indicated on the payment stubs. Billing messages may be used on the face or reverse of the tax billing.

#### **4.00 Due Dates**

- 4.01** Due dates for the payment of taxes shall be dependent, in the case of the Final Bill, on the final approval of the Budget by Council and the subsequent passing of a levy by-law. Notwithstanding that there may be fluctuations as a result of budget approval, tax billings will normally be as follows:

- Interim Bill: The second last business day of February and April
- Final Bill: The second last business day of June and September

- 4.02** The specific due dates will be identified in both the Interim and Final Levy By-laws for the City.
- 4.03** Where due dates are delayed as a result of factors beyond the City's control, they shall then be set with regard to the notice provisions above.

#### **5.00 Minimum Bills**

- 5.01** In accordance with the provisions permitted in the Municipal Act, section 355 (1), the City will have a minimum tax bill at the amount permitted under the Act currently the maximum allowable for a minimum tax bill is \$50. The amount levied in excess of the assessment times the tax rate becomes part of the general funds of the municipality. The rationale behind this provision is to ensure the issuance of tax bills is cost effective for the municipality.

#### **6.00 Settlement of Accounts**

- 6.01** Payment will be in the form of cash, cheques, money orders, bank drafts, preauthorized payment plans, internet and telephone banking made payable to the City of Kawartha Lakes. Cheques which are post-dated to the tax due date will be accepted and held by the Tax Division. Payment of taxes will be accepted at the City of Kawartha Lakes Municipal Service Centre locations, at all bank locations or via mail to:

City of Kawartha Lakes  
Revenue & Taxation Division  
P.O. Box 696

Lindsay, ON  
K9V 4W9

- 6.02** "Third party" cheques will not be accepted. A cheque payable to the property owner and the City of Kawartha Lakes is not considered to be a third party cheque and is to be accepted as payment.
- 6.03** Change will not be returned for cheques accepted in excess of the amount due on the tax account. Should a credit appear on the tax account as a result of the payment, it will be applied to subsequent installments not yet due in the current year. However, at the written request of the taxpayer, a refund cheque will be requisitioned, after allowing sufficient time (15 business days) for the taxpayer's cheque to clear their financial institution. The minimum amount for a refund request to be processed will be \$25, unless the amount is in excess of the next tax installment that is yet to become due.
- 6.04** If two cheques are returned N.S.F. on a taxpayers account, personal cheques from that taxpayer, for any financial transaction within the municipality, will no longer be accepted unless they are certified. This restriction will be placed on the individual for a period of one year on the first restriction, and if there is a reoccurrence of two more NSF payments, cheques will no longer be accepted.
- 6.05** Should payment of a tax account be tendered in U.S. funds, it will be accepted at the exchange rate established by the financial institution holding the accounts of the municipality on that day.
- 6.06** Post-dated cheques for tax installment due dates are currently maintained at any of the Municipal Service Centres. Identifying the actual location of the batch, which contains the cheque to be pulled, is a labour intensive process. Additionally, post-dated cheque deposits are prepared in advance of their deposit date ensuring they can be deposited on the actual tax installment due date, making rebalancing of batches necessary if cheques are removed from the batches.

Where post-dated cheques are submitted to the municipality for future payment, customers are required to put a stop payment on the cheque should they not wish the cheque to be processed as it was dated. This is clearly identified on the back of all tax bills indicating that post-dated cheques cannot be returned once received. Staff will attempt to retrieve the payment before it is processed and return to the customer, but due to timing, it is in the best interest of the customer for a stop payment to be issued.

## **7.00 Collection - Payment Incentives**

There are five basic incentives set out by legislation to promote timely payment of taxes as follows:

- Penalty/interest
- Bailiff action
- Collection Agency
- Rent attornment
- Tax Registration/Tax Sale

### **7.01 Late Payment Charges**



The rate at which penalty and interest is charged is set by the Municipal By-Law. Currently the rate is established under the provisions of the Municipal Act Section 345. The municipality may review this rate each year, but cannot exceed the maximum percentage established at 1.25% per month. The purpose of penalty is to persuade ratepayers to pay on time. Penalty and interest shall be charged as set out in the legislation.

**7.02 Bailiff Action**

Section 349 of the Municipal Act, provides that taxes may be recovered with costs as a debt due to the municipality from the taxpayer originally assessed for them and from any subsequent owner of the assessed land or any part of it.

The Municipality may issue a warrant to distrain for property taxes if the taxes remain unpaid for a period of fourteen days after the installment due date. Further information regarding Bailiff Action is provided within this policy.

**7.03 Collection Agency**

Section 304 of the Municipal Act provides that if a municipality uses a registered collection agency under the *Collection Agencies Act* to recover a debt including taxes, the collection agency may recover its costs as long as the costs do not exceed the amount approved by the municipality. Further information regarding Collection Agency action is provided within this policy.

**7.04 Rent Attornment:**

Under Sections 350 of the Municipal Act, the Municipality may seize the rents of an income producing commercial property upon giving proper notice. It is a severe action and should only be initiated after adequate notice. Further information regarding Rent Attornment is provided within this policy.

**7.05 Tax Registration/Tax Sale:**

Properties that are in arrears for three years are eligible for tax registration under the Municipal Act. The property owner or interested party has one year from the date of registration in which to redeem the property for all taxes, interest and penalty outstanding, including any associated costs. A contracted tax registration firm may be used to process the required statutory notices/declarations. The administration fee associated with this process is in addition to the charges by the third party firm completing the required statutory notices/declarations and will be defined in the Tariff of Fees By-law for the Municipality.

Registration is a last resort and should be avoided if possible by encouraging the ratepayer to either make full payment or a mutually agreed upon payment plan.

It is imperative that the schedule for registration be adhered to. Letters and correspondence should encourage payment. It is only as a last resort or if numerous cheques are returned, that the property would become subject to tax registration. Further information regarding tax sales is provided within this policy.

**7.05 Additional Collection Tools**

The following additional tools are available to assist in the collection of realty taxes:

- Reminder notices
- Form or personalized letters
- Telephone follow-up
- Interviews
- Title Searches - Interested Party Notification
- 

## **8.00 Steps and Timing of Collection Procedure**

- 8.01** Interim Tax Notices are sent in January and Final Tax Notices subsequent to the passing of the Municipal Budget. Tax arrears owing at the time of the billing are included on each tax notice.
- 8.02** Late payment charges are charged according to municipal by-laws (penalty – first day of default and interest is charged on the first day of each month thereafter).
- 8.03** Reminder notices for the current year are sent after the final installment due date of each billing cycle. Notices are to be mailed no later than the 15<sup>th</sup> of the month. Reminder notices for \$15.00 or less are not produced as they are subject to small balance write-offs.
- 8.04** Any notice sent by ordinary mail is considered delivered to and received by the addressee unless the notice is returned by the Post Office or an error in the mailing address is proven. Failure to notify the Tax Office of an address change in writing is not an error. Section 343 of the Municipal Act identifies that tax bills shall be sent to the taxpayer's residence or place of business or to the premises where the taxes are payable for, unless the taxpayer directs the municipality otherwise. The direction for the delivery of tax bills continues until it is revoked in writing by the taxpayer (343(8)).
- 8.05** Priority of tax accounts for collection is:
- (i) Tax Accounts with three or more previous years outstanding
  - (ii) Tax Accounts with two previous years outstanding
  - (iii) Tax Accounts with one previous year outstanding
  - (iv) Tax Accounts with current year only outstanding
- 8.06** For tax accounts which indicate previous years taxes owing, a collection letter is sent in the first quarter of the current year to the property owner (s) advising of the tax arrears situation and asking for payment in full or satisfactory payment arrangements to be made by a given date. If acceptable payment arrangements are made, the account is monitored for compliance and follow-up is done by telephone or in writing as required. Telephone contact is only used when the taxpayer has provided the municipality with a telephone number.
- 8.07** Satisfactory payment arrangements would be a series of post-dated cheques or a commitment to make payments on prearranged dates via telephone or Internet banking or in person.

- 8.08** If no reply is received from item 8.06 above, a **second notice** is sent in the second quarter of the year stating that failure to reply will result in further action being taken to collect the outstanding taxes, which will result in additional costs to the property owner.
- 8.09** If no reply is received from item 8.08 above, a **final notice** will be sent by registered mail in the third quarter of the year stating that failure to reply will result in the account being forwarded to a bailiff to collect the outstanding taxes, which will result in additional costs to the property owner. Costs associated with preparation and mailing of the final notice will be added to the property tax account.**8.10**If there is no reply to the final notice, a sub search of title may be done to obtain information on any mortgage holders or interested parties. The mortgage holder(s) is then notified in writing of the outstanding taxes and payment in full is requested. In most cases, the mortgage holder will pay the taxes or ensure that the property owner does. This action will be used no earlier than the 4<sup>th</sup> quarter of year after the taxes were levied, e.g. if taxes were levied in 2004 a title search could be initiated in September 2005. These costs will be added to the property tax account.
- 8.11** A bailiff may be used if no reply to the final notice is received within 30 days of mailing or there is no response from the mortgage holder. . Costs associated to this action are the responsibility of the property owner and are deducted by the Bailiff, in accordance with legislation, prior to the remittance of payment to the municipality.
- 8.12** Once an account has been forwarded to a Bailiff for collection purposes, the property owner must deal directly with the Bailiff and make payments directly to the Bailiff. The municipality should not accept payments from property owners in this case as it blurs the line of accountability and record keeping in regard to collection efforts and costs.
- 8.13** A collection agency is available for use as a collection tool. If the account has been turned over to a Bailiff, but there have been no results within 6 months, the account will be recalled. If the costs associated to the use of a collection agency are reasonable in relation to the assessed value of the land, and the outstanding property taxes, the account will be assigned to one of the collection agencies representing the City of Kawartha Lakes. The costs for this service are to be added to the property tax account, but is not the preferred choice of collection tools. If the costs are not reasonable in relation to the value of the land, and taxes owing, a collection agency will not be utilized.
- 8.14** Payments for accounts referred to a collection agency will be handled in compliance with the agreement with the collection agency.
- 8.15** If satisfactory payment arrangements have not been made on a property that is eligible to proceed through the Municipal Tax Sale process, it will be called back from the Bailiff or Collection Agency, and collection staff will initiate the Farm Debt Notice process.

**8.16** If, after the timeframe has expired for the Farm Debt Mediation Notice and no contact has been made by the property owner, a site visit to the property will occur (if not vacant land) within 30 days. The Manager of Revenue and Taxation or designate, along with a Municipal By-law Enforcement Officer will attend the property in an attempt to make the property owner aware of the severe consequences should payment in full or satisfactory payment arrangements be made. Costs associated with the site visit will be added to the tax account and payable by the property owner.

**8.17** If there are no results achieved as a result of the site visit, or if the property is vacant land, the municipality will proceed with registering a tax arrears certificate on the property. At that time, the provisions of the Municipal Act in relation to the tax sale process will be adhered to.

**8.18** If a property is in the position that a tax arrears certificate could be registered (January 1 of the 3<sup>rd</sup> year the taxes are due) and an application is made to divide land that is assessed as one block into two or more parcels, if each parcel is one that can be legally conveyed under the *Planning Act*, the application cannot proceed, whether or not the tax arrears certificate has actually been registered. (Municipal Act, (356(3)).

**8.19** All costs incurred for collection to obtain information and/or collect tax arrears are payable by the property owner and are added to the tax account (section 349(1)). These costs may include, but are not limited to:

- all title search fees
- all corporate search fees
- registered mail
- administrative charges
- all site visits

These fees will be charged as outlined in the Tariff of Fees By-Law for the City of Kawartha Lakes.

**8.20** The City of Kawartha Lakes may apply amounts payable to a supplier of any goods and/or services to any outstanding realty taxes owed to the City. Notice of the latter will be given to the supplier in advance of the deduction or application of payment to realty taxes owed.

**8.21** If rent attornment is chosen as a collection tool, the Manager of Revenue and Taxation will give notice to the tenant in writing requiring the tenant to pay the rent normally paid to the Landlord, to the City of Kawartha Lakes as it becomes due, until the amount of taxes due and any unpaid costs are paid in full.

**8.22** The tenant is required by section 350(1) of the Municipal Act to comply with this notice.

**8.23** The Manager of Revenue and Taxation has the same authority as the landlord of the premises to collect the rent by seizure or otherwise to the amount of the

taxes due and unpaid costs, but by collecting the rent, the municipality does not assume the responsibilities of the landlord.

- 8.24** Amounts paid as a result of rent attornment, may be deducted by the tenant from the rent paid to the landlord.

**9.00 Minimum Balance Write-off**

- 9.01** In some circumstances there remains a balance owing on a taxpayers account after a payment is received, which is often a result of interest being added to the account after a payment amount was agreed upon and mailed in. When the remaining amount is small enough that the additional cost of collection would not be deemed worthwhile, it may be expedient to write the amount off. The City authorizes the Manager of Revenue & Taxation to approve such write-offs for outstanding amounts less than \$10.00.

**10.00 Late Payment Charge Adjustments**

- 10.01** Late payment charges are adjusted only in the following circumstances:
- Taxes are adjusted under Sections 354, 357, or 358 of the Municipal Act;
  - Taxes are adjusted following an Assessment Review Board Decision
  - Taxes are adjusted in accordance with a decision of the Courts
  - The interest or penalty was charged as a result of the City's error or omission. It shall be at the discretion of the Manager of Revenue and Taxation to decide whether or not the interest amount should be adjusted in such cases up to the amount budgeted for write-offs in the annual budget and no more than the purchasing policy limits.



## CORPORATE POLICY AND PROCEDURES MANUAL

Policy No:

107

FD

011

Policy Name:

Accounts Receivable Billing and Collection Policy

DEVELOPED BY: Christine Norris  
DEPARTMENT: Finance

DATE: Oct. 18, 2004

REVIEWED BY: Directors  
APPROVED BY: Chief Administrative Officer

DATE:  
DATE:

RESOLUTION CHR2004-274  
NUMBER: CR2004-1248

EFFECTIVE: Nov. 23, 2004

CROSS- Amended- CHR2004-141  
REFERENCE: CR2005-771

REVISIONS: Jul 12, 2005

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### POLICY STATEMENT AND RATIONALE:

The Corporation of the City of Kawartha Lakes recognizes the importance of having a written billing and collection policy for accounts receivable transactions, incorporating good and acceptable business practices and efficiencies and, which is consistent and fair to its customers and to the City.

A collection strategy that takes advantage of the full range of available collection methods, tools, and specialists must be established. The collection strategy needs to complement program needs and statutory requirements.

The policy should assist in

- ensuring that revenue from all sources is identified, claimed, recorded, collected and reported in a timely and effective manner;
- ensuring that receipts of money are accurately and completely accounted for and adequately controlled to prevent or detect error, fraud or omission;
- ensuring that proper administrative and control processes are established for accelerated transfer accounts, including authorization, review and reconciliation;
- ensuring the municipality is able to minimize, wherever practicable, the creation of accounts receivable;

- ensuring the municipality is in a position to manage accounts receivable effectively, including prompt and vigorous collection to minimize amounts owing to municipality;
- providing consistent and equitable treatment to debtors, and regular communication on amounts owing;
- ensuring interest is charged on overdue accounts receivable; and
- ensuring uncollectible accounts receivable are written off under the proper authority, and only after all reasonable and appropriate collection action has been taken

#### **SCOPE:**

The *Accounts Receivable Billing and Collection* policy applies to accounts within the geographic boundaries of the City that are not covered by the Property Tax Billing and Collection Policy or the Water and Wastewater Billing and Collection Policy.

This policy will not apply to POA collections, or collection undertaken by other departments, unless they have been handed over to the Revenue and Taxation Division for billing and/or collection (e.g. Parks and Recreation).

City staff assigned to the administration and collection of accounts receivable accounts shall adhere to the policy and procedures detailed below.

Departments are responsible for the effective communication with debtors, third parties and the Revenue and Taxation Division, ensuring that accounts receivable are adequately reported, collected, extinguished or written off as appropriate.

#### **DEFINITIONS:**

In reading and interpreting the *Accounts Receivable Billing and Collection* policy, the following definitions apply:

- a) "City" means The Corporation of the City of Kawartha Lakes.
- b) "Control Account" means a general ledger account within the accounts of the Balance Sheet of the municipality.
- c) "Subsidiary Accounts" means the outstanding accounts within the accounts receivable system as defined by group.

#### **POLICY, PROCEDURE AND IMPLEMENTATION:**

##### **1.0 General**

- 1.01 The Revenue and Taxation Division is authorized to collect delinquent non-tax debts on behalf of the Departments within the City that do not specialize in the collection function.

- 1.02 The Manager of the Revenue and Taxation Division has the authority to assign accounts to a third party for collection, on behalf of the municipality, and, where authorized by legislation, to add the delinquent accounts to property tax accounts.

## **2.0 Recording of Accounts Receivable**

- 2.01 All amounts determined to be due to the municipality must be promptly recorded as an accounts receivable by the city. Each account receivable must be recorded and maintained until payment is received or the recorded amount is written off or extinguished.
- 2.02 An adequate provision for doubtful accounts must be established. When all reasonable efforts fail to collect an account receivable and it has been approved for write off, the related provision for doubtful accounts should be reduced.

## **3.0 Control and Subsidiary Accounts**

- 3.01 The City accounting systems incorporate control accounts, where applicable, to ensure the completeness and accuracy of individual accounts.
- 3.02 The City must maintain subsidiary accounts for individual debtors in a manner that discloses, at a given point in time, the aggregate amount owed by each debtor as well as individual amounts making up the aggregate amount.
- 3.03 Monthly, the subsidiary accounts for each accounts receivable, loans receivable, mortgages receivable and accountable advances must be reconciled with the control account.

## **4.0 Payments**

- 4.01 Payment may be made in the form of:
- Cash;
  - Cheque;
  - Telephone/internet banking
  - Debit;
  - Visa;
  - Pre authorized payment (payments will be withdrawn the last business day of the month)
- 4.02 Cheques that are returned from the bank as non-negotiable are assessed a returned cheque charge pursuant to the Tariff of Fees by-law, as amended from time to time.
- 4.03 If there are 2 cheques returned from the bank within a one-year time period, no further cheques will be accepted from the customer unless the cheques are certified, until there is an acceptable payment history for a further one-year period.

## **5.0 Statements to Debtors**



- 5.01 Statements must be issued to debtors, on a monthly basis, providing meaningful and concise information on the status of their debts.
- 5.02 Where an amount is due under a loan or other agreement, the debtor must be notified at least 30 days before the due date. If interest is to be assessed for late payment, it must be specified on the invoice and statement.

## **6.0 Reporting Requirements**

- 6.01 With each Quarterly Report to Council, the Manager of Revenue and Taxation will report the accounts receivable on an aged basis, and by each department, as at the end date of the quarterly period. Explanations of significant variances from the report for the previous quarter must be included with each quarterly report.

## **7.0 Interest on Accounts Receivable**

- 7.01 Interest must be charged on amounts owing to the City of Kawartha Lakes in accordance with the Tariff of Fees By-law for Financial Services, or as stated in the Agreement signed by both the debtor and the municipality.
- 7.02 Interest shall be calculated on overdue accounts receivable commencing on the first day after the money becomes due. Money is due when:
- an invoice or a written request to the debtor for payment had been issued and not paid within 30 days; or
  - the goods have been delivered in good condition or the services have been performed in accordance with the contract and not paid within 30 days or pursuant to the terms identified in the invoice.
- 7.03 When a debtor pays an account in full within 30 days, the City shall accept payment of that amount as full settlement of the account.
- 7.04 The City will record interest charges owing separately in their accounts receivable records and identify individual amounts owing for each debtor.
- 7.05 The City must advise each debtor of all interest charges to the debtor's account either by separate invoice or through periodic statements of account.
- 7.06 Where interest arises from a loan agreement or similar contractual arrangement, interest on the past due principal and interest must be calculated according to the terms and conditions of the contract.
- 7.07 When a debt has been written off, the City must stop recording interest as revenue and an amount owing. If a debt that was written off is reactivated, the municipality must record interest from the date the debt was written off until the debt is paid.
- 7.08 The interest calculated is not to be compounded.

- 7.09 Interest will be adjusted only when interest was charged as a result of the City's error or omission. It shall be at the discretion of the Manager of Revenue and Taxation, Director or CAO to decide whether or not the interest amount should be adjusted in such cases up to the amount budgeted for write-offs in the annual budget and no more than the purchasing policy limits.

## **8.0 Collection Action**

- 8.01 Departments will be responsible for the initial contact with overdue accounts, at the 30-day point. Sample statements and letters will be provided to Departments for their reference.
- 8.02 Accounts receivable are considered overdue when a debtor does not pay or resolve the debt within 30 days after the City issues an invoice or a written request for payment to the debtor.
- 8.03 All actions taken to collect overdue accounts must be documented.
- 8.04 If there is no response after Departments have made the initial contact at the 30-day point (within a 30 day period – 60 days from date of invoice), accounts will be forwarded to Revenue and Taxation Collection Staff to take prompt and vigorous action to collect overdue accounts receivable.
- 8.05 Accounts receivable, in most cases, should be at least 30 days overdue (i.e., 60 days after invoice notification), before staff advise debtors that their accounts are overdue and that the accounts may be:
- turned over to a private collection agency;
  - subject to legal action
  - credit privileges will be revoked; and/or
  - service may be suspended.
- 8.06 In circumstances where the municipality owes money to a person, and that same person owes money to the municipality, recovery may be initiated by the City by way of:
- adjustment to payment, if within the department; or
  - set-off, and if it not restricted by legislation

unless the account is in a past due position, at which time the municipality will adjust the payment.

## **9.0 Set-offs**

- 9.01 Before set-off action is initiated, staff must ensure that all regular means of collecting the debt have been considered and attempted.

- 9.02 The Treasurer may, in writing, authorize the Manager of Revenue and Taxation to retain money by way of set-off, out of any money due or payable to a person by the City or out of a trust fund, if
- that person owes money to the municipality,
  - an overpayment has been made by the municipality to that person,
  - an advance made to that person has not been repaid or accounted for, and/or
  - the funds are not restricted by contractual agreement or by legislation.
- 9.03 After approval by the Treasurer, the account receivable of the debtor may be reduced once processing of the cheque or payroll requisition is completed.
- 9.04 Where the amount due to the City is less than or equal to the amount owing by the City, the payment requisition must include the amount to be set-off against the gross amount to be paid. This policy does not apply to contractual arrangements containing a specific provision not to set-off.
- 9.05 Staff must initiate set-off action to protect the city's interest for any goods or services provided prior to the date of appointment of a receiver or of an assignment in bankruptcy. Any residual amount payable is to be paid to the receiver or trustee in bankruptcy, as appropriate. Staff must consult with its legal counsel if there is any doubt as to the legality of the payment.
- 9.06 Before initiating a trust account set-off, staff must obtain a legal opinion that this action is acceptable, either under statutes governing the trust or under the trust instrument itself.
- 9.07 When a set-off is made, the debtor must be informed in writing of the gross payment, the set-off amount, and the net payment.
- 9.08 With the exception of salary overpayments, staff must provide employees who owe money to the municipality with written notice of the intent to set-off. Notice must be presented to the employee directly to the degree possible.

## **10.0 Third Party Demands and Garnishments**

- 10.01 Revenue & Taxation Collection Staff must ensure that the following information is retained on file prior to approving a request for a third party demand:
- how and when the debt arose;
  - evidence that the debt can be collected legally;
  - collection action taken to date;
  - the reason for initiating the third party demand;
  - third parties known to do business with, or who employ, the debtor;
  - set-off action instituted or recommended; and

- a completed (but unsigned) Third Party Demand Notice.

10.02 Prior to issuing a request for a third party demand, staff shall:

- ensure accounts receivable collection has been pursued consistent with policy;
- ensure the debt can be collected legally. Where doubt exists, the City must request that legal counsel obtains a judgment against the debtor; and
- consider set-off action; and/or
- consider a defined payment schedule.

10.03 Collection staff must forward unsigned Third Party Demand Notices together with documentation to the Manager of Revenue & Taxation for approval and sign-off.

10.04 The debt must include interest in accordance with policy. The third party demand must stipulate that interest is accruing.

10.05 Normally, staff should not initiate a demand on a third party until at least 90 days after the debt was incurred. In certain instances, however immediate collection may be warranted. A third party demand must be requested promptly and normal means of collection can be bypassed or shortened at the discretion of the Manager of Revenue and Taxation after thoroughly reviewing the circumstances surrounding the debt.

10.06 A third party demand on an employer must not exceed 30 per cent of the net wages or salary per pay period of the employee (debtor) except where the city considers it is unlikely that the remainder of the debt will be collected, or the debtor will remain employed with that employer.

10.07 The debtor shall be notified by the city at the same time and in the same manner as a demand is made on a third party.

10.08 When a debt to the municipality is paid in full, all demands and set-offs for that debt shall be cancelled. Surplus funds received from the third party or from the debtor shall be returned promptly.

10.09 Verbal instructions to the third party by a City staff member are sufficient to cancel a demand notice. Verbal cancellation of a demand notice must be confirmed in writing by the city.

10.10 A third party demand expires when the debt is paid in full or, if applicable, at the end of the term set out in the demand notice.

10.11 Where there is any doubt about municipality proceedings, legal counsel must be consulted to ensure that garnishment orders are obtained in an appropriate manner.

## **11.0 Private Collection Agencies**

- 11.01 The City will consider the services of private collection agencies to recover debts owed to the municipality after the city's normal collection activities have been exhausted, or when a business case supports this collection option, but no earlier than 90-days overdue unless circumstances warrant such action.
- 11.02 The municipality must not use private collection agencies for debts due from the following:
- other ministries or agencies, trusts, and other municipalities;
  - municipal employees from whom the city can recover by set-off action;
  - other governments; and
  - participants in a current appeal or a court proceeding.

## **12.0 Write-offs**

- 12.01 Only those debts for which all reasonable and appropriate collection action has been taken can be submitted for write-off.
- 12.02 Staff must ensure that uncollectible debts are reviewed at least once a year and identify those debts that should be submitted for write-off.
- 12.03 All write-off submissions must include the relevant debt information. Submissions for the write-off of debts exceeding \$5,000 must be appropriately categorized, and must include details of the collection action taken, the debtor's financial status (if relevant), and why further collection action is not possible.

The categories for submission are:

- debtors who have died leaving no estate;
- debtors who cannot be located;
- debtors who are indigent;
- debtors residing outside of Canada in locations where there are no apparent means of collection and there is no indication that the debtor has family or business ties that might encourage return to Canada;
- debts where, in the view of the municipality, further expenses to collect are not justified in relation to the amount of the debt and the possibility of collection;
- debts where legal counsel has indicated that the amount involved does not warrant the prospective costs of action to collect;

- debts where liability has not been admitted by the debtor and where the success of proceedings to collect is unlikely;
  - debts where the existence of an enforceable debt due the municipality cannot be readily established (e.g., where records have been lost or destroyed and the municipality is unable to prove receipt of services by the debtor); and/or
  - debts where a corporation is inoperative and without assets.
- 12.04 Authorized staff may authorize the write-off of receivables up to the limit established under the Purchasing Policy as long as the amount to be written off is within budget.
- 12.05 Staff must maintain adequate records of any amounts that they have written off and report quarterly to the Treasurer and Council on any write-off action taken during the quarter.
- 12.06 The Treasurer shall submit to Council recommendations for write-offs of debts beyond the CAO approval limit, for approval.
- 12.07 Staff are not required to submit the following debts to the Treasurer for write-off:
- bankrupt individuals – when an order of discharge has been granted, the municipality must remove the account on the basis of the order;
  - judgment or other court orders – when it is determined that the municipality can collect a lesser amount than the recorded debt, the municipality must adjust the account on the basis of the court's order;
  - restrictions imposed by statute – where a statute restricts the amount of a debt, the city must adjust the account on the basis of the recoverable amount.
- 12.08 Debts of a bankrupt corporation must be written off through the normal procedures since, according to the *Federal Bankruptcy and Insolvency Act*, a corporation may not apply for a discharge unless it has fully satisfied the claims of its creditors.
- 12.09 After consulting with the Treasurer and/or legal counsel, the city may accept a compromise settlement of a debt. A portion of the original debt must be written off as identified under the terms of an agreement.
- 12.10 When authority has been received to write off a debt, the debt must be transferred from the city's accounts to a reference file of "debts written off", where it must remain until paid, or forgiven.
- 12.11 Annually, staff shall submit statements of debts written off during the fiscal year, together with supporting authorizations, to the Manager of Accounting for Audit reporting purposes.

Policy No:

<b>109</b>	<b>CCS</b>	<b>013</b>
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Policy Name:

**Parks, Recreation and Culture Fees and Charges Policy - Revised**

DEVELOPED BY: **Craig Shanks/Jenn Johnson**  
DEPARTMENT: **Community Services**

DATE: **Dec 6/04**

REVIEWED BY: **Directors**  
APPROVED BY: **Chief Administrative Officer**

DATE:  
DATE:

RESOLUTION **CES2007-165**  
NUMBER: **CR2007-1087**

EFFECTIVE: **Nov 27/07**

CROSS-REFERENCE:

REVISIONS: **Apr. 15/15**  
**CR2015-406**

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### **POLICY STATEMENT AND RATIONALE:**

1. The Corporation of the City of Kawartha Lakes recognizes that some municipal services are not used, needed, or available to all citizens and, as a result of having a specific benefit to the user, a fee for such services may be appropriate.
2. The City recognizes that a user fee is a revenue instrument that is most effective in achieving a more efficient use of society's resources; it is fair in terms of charging for benefits received; and it is accountable in the sense that consumers are better able to judge whether the benefits received are worth the price paid.
3. The City recognizes that tax support may also be appropriate to some levels in these user-specific services for various reasons including but not limited to legislative requirements, or to make certain services available for establishing a desirable community (i.e. quality of life).

Therefore, the City establishes this policy to assist in defining a consistent, effective and appropriate philosophy and process that will identify how fees and charges will be calculated, assessed and supported for parks, recreation and culture services.

### **SCOPE:**

All users (individuals and groups) of parks, recreation and culture services.

This policy is to provide guidance to staff and to provide a basis for decision-making related to the development, assessment, administration and collection of fees and charges for Parks, Recreation and Culture Division services.

## **DEFINITIONS:**

### **Basic Services:**

Basic Services may be those as defined to promote both physical and mental well being, and maintain clean and attractive parks and facilities.

Generally, basic services are offered to the public free of charge. All costs for providing these basic services are paid from the appropriated budget.

#### **Examples of basic services:**

- free play in playgrounds
- use of City parks or trails for passive use
- general parks, recreation and culture administration services
- park, recreation and culture facility development

#### **Examples of basic facilities:**

- unscheduled, unlighted, unmarked sportsfields
- unscheduled outdoor sport courts
- unreserved picnic tables and shelters
- playgrounds
- trails, beaches, paths and restrooms

**Enhanced Services:** Special Services normally incur additional costs to the Division or are provided for the benefit of a particular individual or group rather than the general public. Program administrative costs as well as the cost of the services and supplies associated with the provision of these specialized recreation programs shall be offset by the assessment of an appropriate fee. In the event a community and/or volunteer organization provides the required staffing and/or a portion of the services and supplies needed, the established fee would only provide for the recovery of program costs directly incurred by the Division. Programs/facility rentals that require special instructional materials or additional personnel; use consumable materials; or require additional preparation, facilities, utilities or set-up/clean-up are classified special. Participants in these programs/facility rentals would normally be required to pay a fee for these services. Since the benefits accrue to the participants of these services, the assessment of a fee to offset these costs is justified.

#### **Examples of Enhanced Services that should be self-sustaining are:**

- payment of sports officials and/or league attendants to officiate sports leagues
- payment of recreation instructor for classes to special interest areas such as fitness, drama, outdoor programs, and arts and crafts
- provide commercial transportation and purchase admission tickets for trips to amusement parks, sports events, cultural activities and museums

#### **Examples of Enhanced Facilities:**

- scheduled use of indoor facilities (gyms, meeting rooms, courts, etc.)
- scheduled use of lighted and specialized sportsfields
- swimming pools



	<ul style="list-style-type: none"> <li>- arenas</li> <li>- use of parkland or trails for special events</li> <li>- reserved picnic tables and shelters</li> </ul>
Cost Accounting:	A managerial accounting activity designed to help managers identify, measure, and control operating costs.
Indirect Costs:	Indirect costs are those division expenses that are not directly incurred by the program or facility but may be charged to it. (eg. administration costs)
Direct Costs:	Direct costs are those specific expenses that are incurred by the division in conducting a program or operating a facility.(eg. program equipment)
Capital Costs:	Those costs incurred in constructing a facility or in its later stages as lifecycle replacement modifications, or improvements.
Base Rate:	The fee for a specific program or service, as endorsed by Council, within the Fees and Charges Schedule.
Capital Development Surcharge:	The fee for the development of a reserve fund to be allocated against, under special circumstances, the refurbishment of parks, recreation and culture assets, endorsed by Council, within the Fees and Charges Schedule.
Community Event:	<p>Event that provides a service to the broader public and are not exclusionary in nature. Fees associated with these events are not charged to realize economic gain, rather they are used to offset the cost of conducting the event. Events encourage residents to have fun, participate in their community, connect with each other and contribute to a community's strength. The following events are <b>not</b> considered eligible:</p> <ul style="list-style-type: none"> <li>- Private Community Event/Festival: Any event or festival that is not open to members of the public, or is by invitation only.</li> <li>- Privately Produced Event/Festival: A private sector entrepreneur or company initiates, organizes and implements the event.</li> <li>- Fund raising Event/Festival: An event that is organized to raise funds for a specific issue, organization or cause.</li> <li>- Awards Ceremony or Banquet: A formal gathering to honour the achievements of a person or group of people and/or observe a special occasion.</li> </ul>

## **POLICY, PROCEDURE AND IMPLEMENTATION:**

### **1.0 Statement of Philosophy:**

- 1.01 The underlying principle of the City of Kawartha Lakes Parks, Recreation and Culture Division is to maintain parks and facilities that are safe, a positive reflection on the community and serve the needs of its citizens and visitors. The Division will foster effective partnerships with individuals, community organizations and agencies to develop facilities, parks, and programs that contribute to City objectives. These will be efficiently operated to maximize the effective use of all available resources. However, since the demand placed upon the Division to provide services is greater than the

public's ability or willingness to appropriate public funds to support that demand, it has become an economic necessity to charge certain fees for these services. Fees must be thoroughly evaluated prior to inception to integrate them into the fiscal matrix supporting public parks, recreation and culture services, a matrix which includes general fund appropriations, capital improvement funds, and special gifts and donations. City Council must determine the amount of the general fund support versus user fees.

## **2.0 General Philosophies:**

2.01 It is the goal of the City of Kawartha Lakes to:

- Enhance the quality of life of Kawartha Lakes residents and reflect the unique interests of local communities and the diverse range of needs and lifestyles through parks, recreation and culture services;
- Provide and maintain safe and clean recreation and park facilities for use by the general public;
- Provide trained and qualified staff for supervision and instruction of participants in recreation programs and activities;
- Involve the public in the planning, design, operation and evaluation of culture, recreation, and park programs, activities and facilities;
- Provide the opportunity for all residents of the City to participate in recreation programs and activities and to utilize the facilities of the Division;
- Provide City residents the ability to participate at a lower fee and charges level than those residing outside City of Kawartha Lakes limits;
- Establish fees and charges that should not discourage the use of City facilities and recreation programs;
- Establish fees and charges that do not create a restrictive or exclusionary effect. The key principle in establishing Parks, Recreation and Culture Division user fees is the principle of equity.
- Maintain the principle of accessibility for all user groups and to encourage everyone to participate.
- To provide an objective planning and operating management tool which provides the "real" costs of operating the Division's activities.

## **3.0 Specific Philosophies:**

3.01 It is the policy of the City of Kawartha Lakes that:

1. Basic Parks, Recreation and Culture Services Should Be Free

Public, or specially designated, funds should be used for acquisition of lands, improvements of property and facilities, management, maintenance and basic services.

2. Enhanced Parks, Recreation and Culture Services Should Have Associated Fees

Basic parks, recreation and culture services and facilities should be free unless fees are determined appropriate because one or more of the following enhanced services exist:

- a. Cost per hour of the service or operating the facility is expensive. This may be so where:
- The service uses consumable materials;
  - The service requires a facility with high capital, operating or maintenance costs;
  - The service requires special preparation or clean up;

- The service requires special instruction at extra cost.
- b. A fee will expand activities for all people, at the least possible cost to the majority of citizens; therefore, charging a fee assists in providing activities of a special nature that extends recreation programs beyond normal operation. However, the extension of recreation services should be based on community needs not primarily on the revenue producing potential of the service.
- c. Use of the service or facility is limited to a relatively few individuals or special interest groups of a private character; therefore, those who directly benefit to the exclusion of others should pay extra for the privileges enjoyed.
- d. Public property is used for private economic gain; therefore, the fees and charges for use of public recreation and park facilities by private and closed membership groups should be comparable to commercial rates.
- e. Admission to special events where profits are used to extend or cover the cost of the event.
- f. The public demands more activities and more services but are unwilling to increase taxes to pay for them.

3. Special Considerations Must Be Given

The City of Kawartha Lakes Parks, Recreation and Culture Division fees and charges policy must be flexible for certain individuals and groups. These include, but are not limited to the following:

a. Senior Citizens:

Due to the generally low or reduced income of residents over the age of sixty-five (65), special discount rates should be established for the Division's facilities and programs. In some cases where instructional contracts are involved, discounts may not be appropriate.

Discounts for senior participants will be set at no more than 25 per cent less than the City's base rate. With the exception of facility rental fees.

b. Physically Challenged Participants:

A system of discount rates shall be available to residents who by virtue of a permanent disability, as defined by Section 25 of the Canadian Human Rights Act, are physically disabled and restricted in wage earning power or ability to pay. Upon application to the Division, residents who meet the criteria established by the Division may be granted discounted user fees. These discount fees will generally be the same as those established by the Division for senior citizens.

Discounts for physically challenged participants will be set at no more than 25 per cent less than the City's base rate. With the exception of facility rental fees.

c. Not-For-Profit Groups:

Special consideration should be granted to not-for-profit special interest groups or individuals in the form of discounted fees or charges. Further exceptions may be granted to groups who are sponsored by the Division or provide in-kind volunteer

services or revenue donations to the Division. Example: United Way, minor sport associations.

Discounts for special interest groups (not-for-profit) hosting community events will be set at 40 per cent less than the City's base rate. Discount rates only apply to community hall rental fees. Utilization of the discount rate is limited to two times per year.

Not-for Profit groups hosting community Canada Day events in municipal parks are exempt from paying park permit fees.

d. Proprietary or Commercial Groups:

Proprietary or commercial groups using City of Kawartha Lakes parks, recreation and culture facilities or services for financial gain or profit should be charged an additional fee for the privilege of conducting their business on City/Division property. Such additional fees are warranted in that the Division's fee and charges program is designed to recover costs for facilities on a non-profit basis. Therefore, the use of facilities by for profit purposes is inconsistent with the Division's basic philosophy and revenue goals. Where public developed and maintained resources are used by a for profit group to make a profit, the public should share in that profit to recover a portion of the development costs. Example: home show, trade show

Fees for proprietary or commercial groups will be 25 per cent greater than the base rate.

e. Non-residents:

Many visitors participate in and enjoy the use of Parks, Recreation and Culture facilities and recreation services but make no tax contribution to help support the operation. It is not equitable for these citizens of adjoining municipalities to utilize City of Kawartha Lakes limited facilities or programs at a lower overall cost while the City residents are taxed for its maintenance and operation.

Therefore, it is reasonable to incorporate into the fee and charges policy, non-resident fees for admission, reservations/rentals, and participation fees.

Fees for non-residents will be 25 per cent greater than the base rate.

f. High Risk Activities:

To protect the City's recreational immunity, additional fees may be added to the base rate for facility use by third party sponsors when the activity or facility used is considered high risk. Examples of activities and/or facility use include, but are not limited to archery, concerts, kayaking, BMX, skate boarding. Activity sponsors will be required to meet city insurance requirements and pay direct cost for services provided by the City. Examples may include facility preparation, cleaning and repairs. Requests shall be reviewed to determine if the potential revenue from such an activity and/or facility use is sufficient to outweigh the city's liability exposure. This determination shall be made by meeting with the city attorney and Parks, Recreation and Culture Division staff.

g. Not-for Profit Community Based Youth Sports Organizations:

Special consideration should be granted for not-for-profit community based youth sports organizations to promote and recognize special achievements by allowing, at

no cost, the use of City owned sign boards located at City recreational facilities based on available space and following the same rental provisions as normal use.

#### **4.0 Types of Fees:**

4.01 The City of Kawartha Lakes will utilize five (5) basic fees. They are:

a. Admission Fee

A fee charged for entry into a building or structure. Some type of program, event, demonstration, or exhibit to attract visitors is usually offered. A swimming pool is an example of a facility where an admission fee may be required.

b. Rental Fee

Payment for the exclusive use of a facility. The individual pays for the privilege of using the facility without interference. For example, if Mariposa Hall is rented for a family reunion, the group has exclusive use during the rental period. Extra equipment or staff time for set-up, take down or clean-up, could also be covered by the fee.

c. User Fee

A charge to an individual or team for participation in a program or activity or for non-exclusive use of a facility. Numerous participants are usually involved in the activity or facility at the same time. The registration fee for a child to take part in a swim lesson program or the fees charged for adult softball (players and team) are examples of user fees.

d. License or Permit Fee

A privilege to perform a particular action. The payment for permit or license to use the parks for profit or commercial enterprise.

e. Special Services Fee

A charge for receiving extraordinary services beyond customary levels or for having the use of special equipment or facilities where the benefits are specific to the individual or group that requests the service. Instructional classes in drama or running are examples or special services for which fees could be charged.

#### **5.0 Commercial Use of Facilities:**

5.01 Safeguards are necessary to ensure proper use of public facilities when requests are received by the Division to conduct commercial or promotional activities.

a. Requisites for Approval:

- Commercial and promotional activities in parks, recreation and culture facilities should be authorized only if they provide a positive public service and meet a legitimate public need.
- Commercial or promotional activities on City property should be permitted only when they are clearly not in conflict with ongoing Division sponsored programs, or if the program can be conducted without any restriction of public use for an unreasonable period of time.
- Commercial or promotional use of public facilities including use of public names of structures should not be authorized if such use constitutes an expressed or implied endorsement of commercial products, services, or activities.

- In some cases the Division may establish a formal bid process, as per the Purchasing Policy, for commercial uses such as food and/or beverage vendors.
- b. Charges for Commercial Activities:
- All costs incurred by the Division resulting from commercial use of a Parks, Recreation and Culture facility should be recoverable as part of the special service fee.
- Groups or organizations conducting commercial activities on Division property must pay the commercial fee for use of the facility.
  - Also, sponsors of profit-making, commercial activities conducted on Division property must provide the City with evidence of comprehensive general liability sufficient to protect the City against risk, with a limit as recommended by the City's Insurance provider for each occurrence, which names the City as an additional insured, or Certificates of Insurance acceptable to the Manager.
- c. Charges for Charitable (non-sponsored) Activities:
- Charitable, not-for-profit, community-serving organizations which conduct an event on Division property for the purpose of raising funds, not sponsored by the Department, must pay the appropriate rental fee.
  - Charitable, not-for-profit, community-serving organizations should also provide the City with evidence of comprehensive general liability insurance sufficient to protect the City against risk, with a limit as recommended by the City's Insurance provider for each occurrence, which names the City as an additional insured, or Certificate of Insurance acceptable to the Manager.
- d. Charges for Department Sponsored Activities:
- Community-serving organizations which conduct an event, in partnership with the Department, may not be required to pay facility rental fees.

## **6.0 Procedure:**

### **6.01 Calculating Fees and Charges**

- a. Cost accounting will be used to calculate the cost of offering the program or service.
- b. Direct costs (officials, instructor, sportsfield lighting, equipment, etc.) will be charged at 100 per cent to the program or facility use.
- c. Indirect costs (administration costs, etc.) may be charged to each program or facility use based upon a percentage of the costs of each of these items.
- d. Capital Development Surcharge may be assessed against all recreation programs and rentals as approved by City Council.

### **6.02 Fees and Charges Approval Process**

- a. Fees and charges established on the principle of full cost recovery can be approved by the Director.

- b. Market and discount pricing for initiatives within budget and/or with a goal to improve budget performance can be approved by the Director.
- c. Subsidized or discount pricing not approved as part of the budget process and with a potential negative impact on the budget will be approved by Council.
- d. Residents requesting subsidy may do so through the Director or designate. Based on Parks, Recreation and Culture philosophies those that are unable to take advantage of the regular services because of either financial restrictions or physical or mental disabilities will be considered. The Director shall ensure that confirmation of need is identified appropriately through a third party recommendation where possible. Approvals not impacting on budget will be approved by the Director up to \$100 per annum per person. Further approvals will require the consensus of a Committee to be comprised of the Director, the CAO, and Chair of the Community and Emergency Services Committee. Where possible, sponsorship for such identified need will be pursued.
- e. Where approval of Council has been identified above, such approval shall be handled through recommendations in reports presented to Council.

#### 6.03 Evaluation of Policy and Fees and Charges Schedule

The Parks, Recreation and Culture Division shall annually review the Fees and Charges Policy and the Fees and Charges Schedule and make recommendations for adjustments to be adopted by Council.

### 7.0 **Billing and Collection:**

#### 7.01 Settlement of Accounts

Payment will be in the form of cash, cheque, Visa, Mastercard, interact, money order, and/or bank draft made payable to the City of Kawartha Lakes. 'Third party' cheques will not be accepted. If two cheques are returned NSF on a specific customer account, cheques from that customer will no longer be accepted unless they are certified. This restriction will be placed on the individual for a period of one year on the first restriction, and if there is a reoccurrence of two or more NSF payments, cheques will no longer be accepted. Should payment be tendered in US funds, it will be accepted at the exchange rate established by the financial institution holding the accounts of the municipality on that day.

#### 7.02 Late Payment Charges

The rate at which penalty and interest is charged is set by the Municipal By-Law. Penalty and interest shall be charged as set out in the By-Law.

Late payment charges may be adjusted if the penalty was charged as a result of the City's error or omission. It shall be at the discretion of the Manager of Parks, Recreation and Culture to decide whether or not the interest amount should be adjusted.

Delinquent accounts may be denied access to future City of Kawartha Lakes facility bookings and/or programs.

#### 7.03 Collection Agency

A collection agency may be used as a collection tool for delinquent accounts. The costs for this service are to be added to the total amount outstanding. Payments for

accounts referred to a collection agency will be handled in compliance with the agreement with the collection agency.

7.04 Minimum Balance Write-off

In some circumstances there remains a balance owing on an account after a payment is received. When the remaining amount is small enough that the additional cost of collection would not be deemed worthwhile, it may be expedient to write the amount off. The City authorizes the Manager of Parks, Recreation and Culture to approve such write-offs for amounts less than \$10.00.

7.05 Billing and Permits

Ice, Arena Floor and Sportsfield Permits

- Following the allocation process timelines, permits must be signed and returned as confirmation of bookings and understanding of facility rules and regulations. Once the permit is signed there are no refunds for cancelled ice, unless the time can be resold.
- The City of Kawartha Lakes will pre-bill all full season ice users twice during the Winter season (September and January). Full season users during the Spring and Summer seasons will be pre-billed once at the start of the season. Sportsfield and arena floor user groups will be pre-billed once at the start of the season. Alternate payment plans may be available at the discretion of the Manager of Parks, Recreation and Culture. Payment for part season or single bookings are due at the time of booking.

Community Hall Permits

- Permits must be signed and returned as confirmation of the booking(s) and understanding of facility rules and regulations.
- Ongoing facility booking user groups will be pre-billed at the start of the permit and mid point.
- Payments for hourly events are due in full at the time of booking.
- Payments for events booked less than three months in advance are due in full at time of booking.
- Events that are booked greater than three months in advance require a deposit of 50% of the total fee at the time of booking. This deposit is non-refundable. The remaining 50% and any other fees are due three months prior to the event date. Any cancellation notification received less than three months prior to the booking date will forfeit the entire rental fee.

Program Registrations

- Payment for all program registration fees and membership fees are due in full at time of registration.