

Halifax Regional Council
December 11, 2001

January 8, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
George McLellan, Acting Chief Administrative Officer

DATE: December 11, 2001

SUBJECT: Late Payment Charges on Pollution Control Billings

ORIGIN

In the Spring, 2001, Council approved an amendment to By-Law S-100 reducing the one-time late payment charge on unpaid water bills for outstanding Pollution Control Charges that are not paid within the 30 day due date.

The Nova Scotia Utility and Review Board has required all electrical and water utilities in Nova Scotia to review their billing practices, with respect to late payment charges, and implement an interest-based calculation on the overdue balance of the bill.

In order to simplify the calculation of overdue charges on Pollution Control Charges which are billed by the Halifax Regional Water Commission on behalf of HRM, the same approach is recommended. To accomplish this, By-Law S-100 respecting Sewer Charges, requires an amendment.

RECOMMENDATION

It is recommended that:

Council approve in principle, effective January 1, 2002, an amendment to By-Law S-100 to eliminate the one-time late payment charge and replace it with a regulation which provides for an interest charge of 1.5% per month on outstanding Pollution Control amounts beyond the due date.

DISCUSSION

In light of a recent decision of the Nova Scotia Utility and Review Board with respect to late payment charges on water bills, and for administrative simplicity, there is a requirement that HRM adopt a similar approach to sewer charges. The Halifax Regional Water Commission (HRWC) bills and collects Pollution Control Charges on behalf of HRM. The Water Commission is planning to effect the same change on the water portion of the bill. A revision to the By-Law will be consistent with the billing practices of HRWC.

BUDGET IMPLICATIONS

In February, 2001 an annual revenue reduction in the vicinity of \$190,000 was estimated, by reducing from the one-time late payment charge from 10% to 3.9% and 3.2%, for quarterly and monthly billed customers, respectively. A revision to 1.5% interest on the overdue balance is proposed to reduce revenue generated by late payment charges on Pollution Control by an estimated \$57,000 per year.

MULTI-YEAR FINANCIAL IMPLICATIONS

None.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

None; it is most preferable to be in harmony with the billing practices of HRWC. To have a different charge would be confusing for the customer to see and understand, programmatically perplexing and impractical for staff to administer.

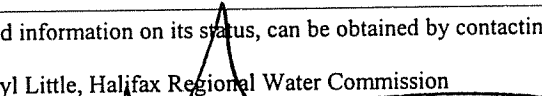

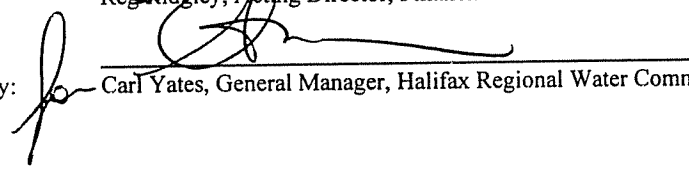
**Late Payment Charges on
Pollution Control Billings
Council Report**

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ATTACHMENTS

Proposed amendment to By-Law S-100.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by:	 Cheryl Little, Halifax Regional Water Commission	
Report Approved by:	 Reg Ridgley, Acting Director, Financial Services	490-6475
Report Approved by:	 Carl Yates, General Manager, Halifax Regional Water Commission	490-4840

HALIFAX REGIONAL MUNICIPALITY

BY-LAW NUMBER S-104

RESPECTING SEWER CHARGES

BE IT ENACTED by the Council for the Halifax Regional Municipality that By-Law S-100, the Sewer Charges By-law, is hereby amended as follows:

1. Section 9 of By-Law S-100 is deleted in its entirety and replaced with “ Interest on overdue Pollution Control Charges is calculated and billed at 1.5% per month”.

Done and passed by Council this day of , 2001.

MAYOR

MUNICIPAL CLERK

I, Vi Carmichael, Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above-noted by-law was passed at a meeting of the Halifax Regional Council held on

Vi Carmichael, Municipal Clerk