



## The Corporation of the Township of King Report to Council

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**From:** Finance

**Report Number:** FIN-2025-002

**Date:** Monday, January 27, 2025

**Title:** **2024 P5 (September – October) Water & Wastewater Billing Penalty Write-off**

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### Recommendation

1. That Report Number FIN-2025-002 be received; and
2. That Council authorize Staff to waive By-law 2024-092 section 9 (a) penalty for late payment of the 2024 P5 (September – October) water and wastewater bill.

### 1. Report Highlights

- Canada Post workers were on strike between November 15th and December 17th, 2024.
- The Township's P5 (September – October) Water Bills were scheduled for mailout November 18<sup>th</sup>, 2024, but could not be mailed due to the strike. The bills were subsequently mailed December 19<sup>th</sup>, 2024.
- The due date for the P5 Water Bills was December 18<sup>th</sup>, 2024.
- 2024 is the first year of the change in billing cycle from quarterly to bi-monthly
- Staff are seeking approval to waive the penalty for late payment relating to the missed P5 water bill amount.

### 2. Purpose

The purpose of this report is to seek Council's authorization to waive [By-law 2024-092](#) for a one-time cancellation of the 5% penalty charge applied to outstanding P5 (September – October) bills for 2024.

### 3. Background

The Canadian Union of Postal Workers (CUPW) went on strike November 15<sup>th</sup>, 2024. As a result, the Township was unable to mail the P5 (September – October) Water and Wastewater bills on time. While staff made significant effort to advertise the due dates and promote e-billing, the Township received only half the water and wastewater customer payments before the December 18<sup>th</sup>, 2024, due date.

The federal government ordered CUPW back to work December 17<sup>th</sup>, 2024, and the P5 bills were put in the mail December 19<sup>th</sup>, 2024 (two days after the scheduled due date).

## New Billing Structure 2024

The Township changed from a quarterly to bi-monthly billing schedule in 2024. Staff suspect that many customers did not realize that there were new due dates and therefore, may not have thought to make efforts to obtain their P5 water and wastewater bill to pay the amount owing.

## Penalty

The Township's Water and Wastewater [By-law 2024-092](#) section 9 (a) requires:

*“...that a penalty of five percent of the gross bill for the distribution of municipal water/wastewater service shall be added in the event of a failure to pay water/wastewater rates or charges as and when they become due and that the gross amount plus penalty shall be shown on the bill”*

As this is a Council approved by-law, staff are requesting a one-time waiver of the 5% penalty to the P5 water and wastewater billing, due to the postal workers strike causing delays with mailing of the bills and, the 2024 change in the billing cycle would have caused sufficient confusion with property owners.

## **4. Analysis**

The number of property owners that missed the due date was higher than previous periods. In 2024 the *average* penalty was applied to 700 accounts, totalling \$18,000 per period. The penalty for the P5 period applies to 2600 accounts and totals \$63,490. Staff suspect that the main factor behind the increase in non-payment is due to the timing of the mail interruption, coupled with the new billing structure (i.e. from quarterly to bi-monthly). 2024 was the first year the Township issued a bill in November and had a due date in December. As such, some property owners may not have noticed the bill had not come in the mail or that there was a change in due date to December.

Despite the increase in missed payments, the Township did experience a favourable uptake in e-billing, with 222 new participants since November 2024 plus an additional 35 properties added to the pre-authorized deposits (PAD) program.

The P6 (November – December) billing has recently been mailed out with a due date of February 19<sup>th</sup>, 2025. If both the P5 and P6 outstanding balances are not paid by the February 19<sup>th</sup> due date, the late penalty for both periods will be applied and transferred to the property tax account as per the Township bylaw section 9 (b).

## **5. Financial Considerations**

Waiving the 5% penalty equates to lost revenues of \$63,490. The budget anticipates the collection of average late penalties of \$18,000. The budgetary impact of waiving the P5 late fees will need to be offset by a transfer from the water and wastewater reserve fund.

## 6. Alignment to Strategic Plan

The 2023-2026 Corporate Strategic Plan (CSP) was adopted by Council on June 12, 2023. The CSP reflects the priorities of utmost importance to the community and defines the obligations and commitments of the Township of King to its citizens and to the public. The CSP is aligned with the Townships long-term vision defined in the “Our King” Official Plan. The CSP also aims to ensure that staff initiatives focus on and work towards supporting King’s Vision, Mission and Values.

This report is in alignment with the CSP’s Priority Area(s), and/or associated Objective(s) and/or Key Results(s):

Priority Area: Service Excellence

Objective: Enhance Citizen Service Experiences.

This report highlights the effort to maintain service quality for Township citizens, acknowledging that the Federal Postal Strike was outside the control of both the municipality and property owners/tenants. The one-time waiving of the late penalty is a gesture of understanding and empathy that makes the experience of the billing cycle changes and a broader strike issue more manageable for citizens.

## 7. Conclusion

The Canada postage workers strike delayed the mailing of the 2024 P5 (September – October) water and wastewater bills. As a result, the number of customers that missed the payment due date and were subject to the 5% penalty was abnormally high. As this was the first year of the new billing structure (quarterly to bi-monthly), with the compounding impact of the postal strike, staff are recommending that Council waive the bylaw for the 5% penalty fee.

## 8. Attachments

N/A

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