Minutes – Executive Policy Committee – December 3, 2014

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – November 25, 2014

Item No. 3 Delegation of Authority to Adjust Accounts or Fees for Water, Sewer or Solid Waste Services

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the following to Council:

1. That the Director of Water and Waste be delegated authority to waive fees and charges and to adjust accounts in the following circumstances to a maximum of $10,000:

    A. Where the cost of billing and collection is anticipated to exceed the value of the charges being waived

    B. Where the City's actions or directions, rather than those of the customer, have resulted in an increased charge to the customer or property owner

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – November 25, 2014

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

That the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On November 25, 2014, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **DELEGATION OF AUTHORITY TO ADJUST ACCOUNTS OR FEES FOR WATER, SEWER OR SOLID WASTE SERVICES**

Critical Path: **Standing Policy Committee on Infrastructure Renewal and Public Works – EPC - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Geer, C. A. Manager Finance and Administration	D. P. Sacher, P. Eng. Director, Water and Waste Department	M. Ruta	D. Joshi A/CAO

RECOMMENDATIONS

1. That Council delegate authority to the Director of Water and Waste to waive fees and charges and to adjust accounts in the following circumstances to a maximum of $10,000:

    - Where the cost of billing and collection is anticipated to exceed the value of the charges being waived
    - Where the City's actions or directions, rather than those of the customer, have resulted in an increased charge to the customer or property owner

2. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Authority to impose fees and adjust accounts rests with Council and may only be delegated by Council.

IMPLICATIONS OF THE RECOMMENDATIONS

The Department's operating budget includes all fees and adjustments to accounts. This budget is approved annually by Council.

HISTORY

Council has approved a variety of fees and charges as set out in the Fees and Charges Schedule published annually by the City. Some fees are part of by-laws while others are approved by Council through Administrative reports.

The efficient operation of the Water and Waste Department requires the accommodation of a variety of circumstances in which it simply does not make sense to insist on imposing a fee or charge. For example, it is not practical to seek Council approval for adjustments that may be as low as $1.00. Consequently, adjustments to utility accounts occur on a daily basis for varying dollar amounts. The types of adjustments and the related procedures that have been historically employed by the Water and Waste Department are documented in an Internal Audit report *Review of Internal Controls Over the Water and Waste Department's Billing and Collection Processes* which was presented to Council for information on March 24, 2004.

There are two general scenarios under which it makes sense for the Department to adjust fees and/or accounts. Some common examples are provided below but this list not intended to be comprehensive.

1. Where the cost of billing and collection is anticipated to exceed the value of the debt. Examples include:

    - Where there is a gap – either in time or in meter readings - between one customer who is terminating an account and the next customer who is starting an account, the effort to determine who is responsible for fees and charges for amounts that are typically less than $10 will often not be worth the charges due.
    - Where the fee or account balance is very small, there is little value in expending efforts to collect the fee from a customer.
    - When an account is more than two years old and the City's collection agency has been unable to collect the debt on the City's behalf, there is little purpose in continuing efforts to collect.

2. Where the City's actions or directions, rather than those of the customer, have resulted in an increased cost to the customer or property owner. Examples include:

    - Where an account is under review due to a legitimate question about the amount owing, it makes sense not to impose late payment charges. For example, if an account has been estimated and the customer has provided an actual meter reading, late payment charges may be waived while the account is waiting to be adjusted. Late payment charges for a typical customer are less than $5.
    - Where the City failed to follow its established policies and procedures and this resulted in a financial cost to the customer or property owner, waiving the fee may be appropriate. For example, if the City has provided incorrect final account information as part of a real estate transaction the purchaser may be left with a bill for water he or she did not use. The Department would want the authority to waive the charge in this situation.

It should be noted the Department already has the authority adjust water bills where there is credible evidence or facts that indicate that the fee or charge should not have been imposed in the first place. For example:

- Where a customer has requested and been charged for a service but it appears that the service was not received (e.g. bulky waste pickup).
- Where a customer's water use has been estimated, and a meter reading or other additional information is received from the customer demonstrating that the estimate is incorrect.

The authority to adjust water bills to correct errors (ie. when the fee or charge should not have been imposed in the first place) is implicit in the responsibility of the Public Service to apply fees and charges imposed by Council.

FINANCIAL IMPACT

Financial Impact Statement **Date:** October 30, 2014

Project Name:

DELEGATION OF AUTHORITY TO ADJUST ACCOUNTS OR FEES FOR WATER, SEWER OR SOLID WASTE SERVICES

COMMENTS:

The Department has an approved operating budget which includes an estimate of fees charged, a
and written off each year.

"Original signed by M. L. Geer, CA"
Moira Geer, C. A.
Manager of Finance and Administration

CONSULTATION

In preparing this report there was consultation with:

Legal Services Department

SUBMITTED BY

Water and Waste Department
Finance and Administration Division
Prepared by: Wanda Burns
Date: November 5, 2014
File No. W-854