

DATE OF MEETING OCTOBER 21, 2024

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SUBJECT USER RATES AUTO DEBIT PLAN

OVERVIEW

Purpose of Report

To introduce the “User Rates Auto Debit Plan Bylaw 2024, No. 7391” (a bylaw to authorize a user rates auto debit plan) for first, second, and third readings.]

Recommendation

1. That “User Rates Auto Debit Plan Bylaw 2024, No. 7391” (a bylaw to authorize a user rates auto debit plan) pass first reading;
2. That “User Rates Auto Debit Plan Bylaw 2024, No. 7391” pass second reading; and
3. That “User Rates Auto Debit Plan Bylaw 2024, No. 7391” pass third reading.

BACKGROUND

Currently, City of Nanaimo ratepayers have several options to pay their user rates invoice:

1. Online banking bill payments
2. In-person with cash, cheque, post-dated cheque, or debit
3. In-person through their financial institution
4. Automatically through the auto-debit plan
5. Automatically through the equal payment plan

There are currently 3,429 properties enrolled in the Auto Debit Plan. Under this plan ratepayers are able to have their total user rates bill, inclusive of the five percent (5%) discount, withdrawn from their bank account on the invoice due date.

Under the Equal Payment Plan ratepayers have equal monthly payments, inclusive of the five percent (5%) discount withdrawn from their bank account on the invoice due date. There are currently 2,154 properties enrolled in this plan.

Although there are internal policies and external program application forms, neither automatic payment program has been formalized into a bylaw, which by contrast is what has been done with the Property Tax Prepayment Plan.

Staff are recommending the discontinuation and gradual phase out of the Equal Payment Plan, and the formalization of the Auto Debit Plan through the establishment of a bylaw. The intention

is to have a separate bylaw for the User Rates pre-authorized withdrawal program and a separate bylaw for the Property Taxes pre-authorized withdrawal program.]

DISCUSSION

The Auto Debit plan is advantageous because it ensures that the ratepayer does not miss out on the five percent discount. It also ensures that at year end, there is not an outstanding user rates account balance owing (that would ultimately be required to be transferred to the property tax account).

The original intention of the Equal Payment Plan was to be a prepayment program, similar to the auto debit program. However, this plan has resulted in unanticipated challenges including accounts not having their user rates balance fully paid, while still taking advantage of the payment discount, and frequent issues and adjustments with real estate conveyancing transactions when properties change ownership and there are residual balances remaining due to timing of payments and discount adjustments. As this plan is not meeting the original intention, it would be discontinued and gradually phased out.

Existing or legacy properties would continue to remain on the program until there is a change in ownership of the property, or until there is voluntary withdrawal or change. Properties with outstanding balances will be required to gradually increase the monthly payment amounts so that outstanding balances can be cleared.

The attached User Rates Auto Debit Plan Bylaw will formalize User Rates Auto Debit Plan program into bylaw format, which can be amended any time through direction from Council.]

OPTIONS

1. [1. That “User Rates Auto Debit Plan Bylaw 2024, No. 7391” (a bylaw to authorize a user rates auto debit plan) pass first reading;
2. That “User Rates Auto Debit Plan Bylaw 2024, No. 7391” pass second reading; and
3. That “User Rates Auto Debit Plan Bylaw 2024, No. 7391” pass third reading.

Advantages:

- The newly drafted bylaw will formalize the administration of the currently established user rates auto debit plan, which will assist to provide administrative clarity
- There will be separate bylaws for the user rates auto debit program and for the property tax prepayment program

Disadvantages:

- There are no disadvantages noted. There is no existing bylaw and the establishment of the program via bylaw will provide consistency in how the user rates and property tax payment programs are administered

Financial Implications:

- There are no financial implications to note. The program already exists and provides convenience with another payment option for City of Nanaimo property owners.

2. That Council provide alternative direction. |

SUMMARY POINTS

- Staff are recommending the establishment of a User Rates Auto Debit Plan Bylaw to formalize this payment option that is currently offered to City of Nanaimo property owners
- User Rates Auto Debit Plan Bylaw 2024, No. 7391 is attached for review by Council

ATTACHMENTS:

ATTACHMENT A – User Rates Auto Debit Plan Bylaw 2024, No. 7391

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