



The Corporation of the Town of Tecumseh

Financial Services

To: Mayor and Members of Council

From: Tom Kitsos, Director Financial Services & Chief Financial Officer

Date to Council: June 9, 2020

Report Number: FS-2020-09

Subject: COVID-19 Financial Relief Measures Extended to July 31, 2020

Recommendations

It is recommended:

That Financial Services report FS-2020-09 COVID-19 Financial Relief Measures Extended to July 31, 2020 **be received**.

Background

The Town is currently operating under a state of local emergency, which was declared on March 22, 2020 due to the COVID-19 pandemic and the threat of municipal flooding from high lake levels.

At the Town's Regular Council Meeting (RCM) of March 24, 2020, the Town introduced financial relief measures to assist residents who may be dealing with immediate financial challenges resulting from the implementation of COVID-19 social restrictions.

Initial financial relief measures were proposed through Council report CAO-2020-01 "Business Continuity – Essential Services" and specifically included the waiving of late payment penalty and interest charges associated with property taxation.

By-law No. 2020-28, being a by-law to Delegate Authority during a Declared Emergency, was adopted through Council Motion 107/20 at that same RCM and effectively delegated authority to the Treasurer to implement the financial relief measures proposed in CAO-2020-01 and to consider other financial relief measures as specified in the by-law.

Following the adoption of by-law 2020-28, additional financial relief measures were introduced through council reports CS-2020-08 “COVID-19 Tecumseh Response – Dog Tag Program” and CS-2020-12 “Delegation of Authority during a Declared Emergency By-law – Update.”

Financial relief measures currently in place include:

- No late payment penalty/interest charges associated with property taxation or water/wastewater billings through the period ending June 30, 2020. Interest/penalties will be calculated on all past due balances as of July 1 and the first of every month thereafter;
- Charges for Non-Sufficient Funds (NSF) on property tax payments will be waived through the period ending June 30, 2020;
- Extend the 2020 Dog Tag License fee of \$20.00 and Kennel License fee of \$100.00 until June 30, 2020; and
- Tecumseh Transit bus fares reduced to zero.

By-law 2020-28 was subsequently amended and replaced with By-law No. 2020-33, being a by-law to Delegate Authority during a Declared Emergency. Council adopted By-law 2020-33 through Council Motion 129/20 at the April 14 RCM.

Part 4 of By-law 2020-33 delegates authority to the Treasurer to implement financial relief measures and specifically reads:

4. Despite provisions in any specific by-law or resolution, and subject to Part 3, the Treasurer, if satisfied that such action is reasonable in the circumstances, is delegated authority to:

A) reduce, waive or cancel late payment penalty and interest charges on, tax and water/wastewater accounts, and reduce, waive or cancel municipal fees/charges, if such reduction, waiver or cancellation is otherwise in accordance with the law; and

B) extend payment periods or deadlines for payment for amounts owing to the Town, if such extension is otherwise in accordance with the law; and

C) request extended payment periods or deadlines for payment amounts owing to Essex Powerlines.

Comments

The primary financial relief measure considered by municipalities has been the waiving of late payment penalty/interest charges or deferral of due dates associated with property taxation and water/wastewater billing. Either of the waiving of late payment penalty/interest charges or due date deferral achieve the same result.

The Essex County regional Treasurers have met regularly since the onset of COVID-19 social restrictions to develop financial relief measures and then to review and update those measures in place where necessary and discuss related matters.

The County Treasurers' approach has been to waive late payment penalty/interest charges and maintain the normal billing cycle and due dates unique to each of the County municipalities. The Town of Tecumseh mailed out the 2020 Final Tax Levy for residential properties on or about May 25 with installment due dates of June 26 and September 28 as planned and included in by-law 2020-36, being a by-law for the adoption of tax rates for 2020.

The County Treasurers most recently met on May 28. The County lower tier municipalities have all experienced an increase in the amount of property tax arrears to varying degrees, however the impact to date has been manageable.

With the gradual easing of social restrictions and phased approach to returning to work for many local businesses, the County Treasurers agreed to either recommend or implement (for those with delegated authority) the extension of financial measures in place. Specifically, late payment penalty/interest charges related to property tax and water/wastewater billings are to be waived an additional month through to and including July 31.

Through the delegated authority granted to the Treasurer via by-law 2020-33, the Town will extend current financial relief measures through to and including July 31. Specifically:

- No late payment penalty/interest charges associated with property taxation through the period ending July 31, 2020. Interest/penalties will be calculated on all past due balances as of August 1 and the first of every month thereafter;
- Treasurer to request that Essex Powerlines agree to waive late payment penalty/interest charges associated with water/wastewater billing through the period ending July 31, 2020. Interest/penalties will be calculated on all past due balances as of August 1 and the first of every month thereafter;
- Charges for Non-Sufficient Funds (NSF) on property tax payments will be waived through the period ending July 31, 2020;
- Extend the 2020 Dog Tag License fee of \$20.00 and Kennel License fee of \$100.00 until July 31, 2020; and
- Tecumseh Transit bus fares reduced to zero to July 31.

While financial relief may be necessary for some residents, property owners are encouraged to maintain their regular tax, water and wastewater payments to support municipalities in providing essential services.

Consultations

Chief Administrative Officer
Essex County lower tier Treasurers

Financial Implications

Late payment penalty/interest charges associated with property taxation waived to date total \$119,000, or about \$40,000 per month. This includes penalty/interest calculated on the first business day of April, May and June.

The waiving of late payment penalty/interest charges associated with water/wastewater billing is borne by Essex Powerlines and does not impact the Town directly, however it may have an indirect impact through dividend income earned as a shareholder of Essex Powerlines.

Tecumseh Transit generates \$2,300 per month on average in bus fares. Extending this measure to the end of July will amount to a total of \$9,200 in waived bus fares for the period April – July.

The large majority of dog owners traditionally pay their dog license fees by the early bird due date and thus pay the discounted rate that will be extended to July 31. The financial impact to the Town will not be significant. Similarly, waived NSF fees for property tax payments will not have a significant impact to the Town.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input checked="" type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable ☒

Website ☐

Social Media ☐

News Release ☐

Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

**Attachment
Number**

None

**Attachment
Name**

None