

	POLICY	Department: Administration
	OUTSTANDING COLLECTIONS ON SANITARY SEWER ACCOUNTS	
Effective Date: March 13, 2023		Last Reviewed Date: January 13, 2023

1. PURPOSE STATEMENT

The purpose of this policy is to outline the process for collections of outstanding sanitary sewer accounts for the Town of Salisbury.

2. DEFINITIONS

- **“Chief Administrative Officer”** means the head of the municipal administration. The individual is the only employee who reports directly to Council “CAO”;
- **“Clerk/Treasurer”** means the employee appointed to oversee financial and accounting procedures and serve as the municipal Clerk, pursuant to section 74(1) and 76(1) of the *Local Governance Act, SNB 2018, c.18.*;
- **“Conflict of Interest”** means any actual or perceived conflict, pursuant to section 87(1) of the *Local Governance Act, SNB 2018, c.18.*;
- **“Council”** means the Mayor and Councillors of the Town of Salisbury;
- **“Owner”** and **“User”** shall be deemed to have the same meaning and may be used interchangeably for the purposes of this By-law;
- **“Proper Payment Plan”** means a payment plan for outstanding accounts, signed by the owner who commits to making no less than monthly installments on the outstanding account;
- **“Sanitary Sewer”** means a sewer receiving and carrying water borne wastes from residences, business buildings, institutions, and industrial establishments, and to which storm, surface, or ground waters are not intentionally admitted.

3. GENERAL POLICIES & PROCEDURES - PAYMENTS

Pursuant to Salisbury By-law No. 6, the owner of a property connected to a water or sanitary sewerage system shall pay to the Town of Salisbury, through the Clerk/Treasurer, an annual user-charge billed on an annual basis, as established through the annual budget process. The annual bills are to be mailed to owners in January.

Pursuant to the By-law, all rates and charged remaining unpaid for sixty days after they become due and payable under the By-law will bear interest at the rate of 2% per month, or part of a month, until paid.

This Policy continues to apply for the collections process for any repeal, replacement, or amendment to the aforementioned By-law.

4. OVERDUE ACCOUNTS

Every effort is made by municipal administration to work with owners to accommodate payment arrangements on outstanding sanitary sewer accounts. Unpaid accounts will be subject to interest until such a point where they are paid.

Administration has the authority to proceed with collection efforts, which can include internal collection efforts or retaining an outside agency, at the discretion of the CAO, on any overdue accounts. Any costs incurred due to collection efforts are required to be paid by the property owner.

Once accounts go three calendar years without payment, owners will receive warning that the unpaid accounts will be forwarded to the municipal solicitor for collections. Administration will make every reasonable attempt to advise owners that their accounts will be proceeding to the municipal solicitor, via registered or regular mail, beforehand.

When unpaid accounts are forwarded to the municipal solicitor, a judgement (lien) will be placed against the property for the total value of the outstanding account, including interest, plus legal fees incurred, including all associated costs for filing the judgement in Small Claims Court. Once a judgement has been served, the payment must be made in full in order to stop the judgement process.

In severe circumstances, at the discretion of the CAO, overdue accounts with owners who have not made an attempt to make payment arrangements on their outstanding account, may be subject to disconnection, pursuant to the By-law.

5. DISCONNECTION

Pursuant to Section 8(c) of the By-law, a sanitary sewer system may be disconnected at any time, without notice.

It is policy of municipal administration to make every reasonable effort, in addition to previous warnings provided through the collections process, to inform owners of pending disconnection. This includes through:

- A letter sent via registered mail advising the owner of an anticipated date range for disconnection;
- Closer to the anticipated date of disconnection, a physical notice delivered to the property advising of an anticipated disconnection date.

Pursuant to section 8(d), upon disconnection, the owner is responsible for paying fees for disconnection and re-connection, in addition to associated legal fees and outstanding balances, before the sanitary system is re-connected.

6. REFUNDS

In the event that a customer overpays their account(s), or has a credit, any amount of \$200.00 or above shall be refunded to the customer by cheque. Any amount overpaid less than \$200.00 will be credited on the property's sanitary sewer account.

7. PAYMENT ARRANGEMENTS

Overview of Payment Arrangements

The municipality allows for special payment arrangements for sanitary sewer accounts. This arrangement allows a customer to pay down their account based on a number of determined payments discussed and agreed to between the customer and municipal administration, through the Clerk's Office. The municipality works with the customer based on affordability and can setup arrangements ranging from 0-24 months.

Any payment arrangement beyond 24 months requires a review and approved among a discussion between the Clerk/Treasurer, or their designated employee, and the Chief Administrative Officer.

Arranging Payment Plan (Arrangements)

Payment arrangement forms are available online or at the municipal office, but require a signature from the property owner in addition to details including:

- Address & PID of property;

- Monthly payment;
- Email address for notification of any changes to the account;
- Commitment of method of payment (cheque, payment in-person, payment online through Service New Brunswick, etc.).

Interest Accrual on Outstanding Accounts with Payment Arrangements

Municipal Administration is permitted to stop accruing interest on outstanding accounts once a proper payment plan has been arranged and remains in good standing. When accrued interest is ceased, this does not waive interest accrued before the signing of the agreement, which remains on the account until paid in full. Regular payments, in order to be eligible for interest to no longer be accrued, must be a minimum of \$75.00/month.

With special payment arrangements, all collection efforts and notices stop unless a customer fails to comply with such arrangement. In this event, the special payment arrangement is cancelled and the customer falls into the collections and notices are restarted. In the event of this breach of contract, interest will be re-applied to the account, including interest backdated that would have been accrued should the payment plan not have been agreed upon.

Special Payment Arrangements – Unique Circumstances

There may be customers who have outstanding sanitary sewer accounts for a number of years that wish to make payment arrangements on their accounts to avoid judgments or disconnection, but are unable to do so within 24 months. In the best interest of wanting to assist customers restore services and/or get up-to-date on their account, municipal administration is granted with unique authorization to implement unique individualized payment arrangements.

In these unique/extraordinary situations, in order to assist customers to get up-to-date on their accounts:

- The Clerk/Treasurer and/or delegated employee can approve adjustments on accounts to waive up to 50% of the interest charges on an outstanding account (principal charges and associated fees cannot be waived), up to \$1000 in adjustments with an agreed upon payment plan;
- The CAO can approve adjustments on accounts to waive up to 50% of the interest charges on an outstanding account (principal charges and associated fees cannot be waived), up to \$5000 in adjustments with an agreed upon payment plan.

These situations must be requested by the property owner and are determined on a case-by-case basis based on previous payment history, willingness to make payments on the agreed upon payment plan, and with consideration to what may be beneficial to the municipality in terms of revenue. If the customer has had a previous payment arrangement after January 1, 2023 that was not abided to, they are not eligible for an additional special payment arrangement.

8. COLLECTIONS WORKING GROUP

The CAO, Clerk/Treasurer, and any delegated employee will meet on a regular basis to review all outstanding accounts and status of sanitary sewer collections.

The Collections Working Group will report quarterly to Council on the status of the collections process. This includes update on payments, collections, and outstanding payment plans. Although special payment arrangements are rare, they are reported specifically through the quarterly reports to Council by specifying the special arrangement, what was the amount owing at the time of the arrangement, the penalty, principal, or interest charges being written off, and the status of the account.

In any and all reporting to Council, no identifiable information on a property and/or its owner will be divulged to Council.

9. CONFIDENTIALITY

Customer information will remain confidential and will be used only for the purposes of collection of outstanding amounts due to the municipality. At times, administration may be required to provide addresses and contact information to the municipal solicitor and/or contracted services for the purposes of By-law Enforcement and collections.

In no way will any employee process voids, refunds, or adjustments of any kind on their personal customer account or on accounts deemed to have an actual, or perceived, conflict of interest. Such adjustments and/or payments shall follow the proper hierarchical chain of command with the approval coming from an individual at least one level above the individual that has the conflict of interest, whether actual or perceived:

1. Administrative Assistant;
2. Assistant Clerk;
3. Clerk/Treasurer;
4. CAO;
5. Mayor

Once approved, these adjustments shall be entered into the system by someone other than the account holder, regardless of their position on the hierarchy of approval for the purposes of conflict of interest (e.g.: anyone can enter the payment insofar as it is not the individual with the actual or perceived conflict of interest).