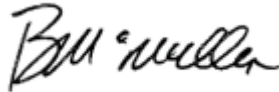




CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Chair and Members Audit Finance and Administration Committee
COMMITTEE DATE:	November 7, 2024
SUBJECT/REPORT NO:	Consolidated Utility Billing and Collections Policy (FCS24025) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	John Savoia (905) 546-2424 Ext. 7298
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the draft Utility Billing and Collections Policy By-law, attached as Appendix "A" to Report FCS24025, be approved;
- (b) That the General Manager, Finance and Corporate Services, be delegated authority to approve bill adjustments and payment arrangements up to \$200,000 in accordance with the Utility Billing and Collections Policy By-law attached as Appendix "A" to Report FCS24025;
- (c) That staff be authorized and directed to prepare all necessary amending by-laws for Council approval to update references to utility billing and collections policies reflecting the enactment of the Utility Billing and Collections Policy By-law in a form acceptable to the City Solicitor for Council approval; and
- (d) That staff be authorized and directed to prepare the necessary by-law in a form acceptable to the City Solicitor to amend the Utility Billing and Collections Policy By-Law to reflect the cessation of Alectra Utilities Corporation as the City's utility billing agent once the City assumes utility billing and collection responsibilities.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

EXECUTIVE SUMMARY

The Utility Billing and Collections Policy By-law (the “By-law”) provides a formal procedure in the process of billing and collecting of water, wastewater and storm use charges, accrued interest and other allowable fees on behalf of the municipality. The By-law will provide a clear process for staff eliminating the need for interpretation and the risk of differential treatment. The By-law supports fair and equitable processes with the goal of providing the highest level of customer service.

Since 2000, Hamilton City Council has approved the creation / amendment of several distinct policies related to the billing and collection of water, wastewater and storm use charges (refer to the Historical Background section of Report FCS24025 for the list of standalone billing and collection policies).

Staff is recommending that the standalone billing and collection policies be consolidated into one overarching By-law. The By-law will enhance transparency for customers and staff that administer the City’s billing and collection policies.

Alectra Utilities Corporation (“Alectra”) has been providing water and wastewater / storm account management and billing services to the City since December 2001. The related service level agreement has required Alectra to abide by Council’s approved billing and collection policies.

On August 6, 2021, the City was advised that Alectra’s Board of Directors, at its meeting of May 21, 2021, approved an Alectra staff recommendation to discontinue water and wastewater utility billing services (for details refer to Report FCS21082). In March 2024, an amending agreement was executed with Alectra to continue providing utility billing services for the City until December 31, 2025.

The completion of the billing transition implementation is October / November 2025 when City staff will assume responsibility for the billing and collection of water, wastewater and storm fees. A new Hamilton Utilities Billing (HUB) section is being created within a new Revenue Services Division of the Corporate Services Department (for details refer to Report FCS24015) that will process approximately \$300 M of annual billings related to over 160,000 active accounts.

Recommendation (d) of Report FCS24025 recognizes that the Utility Billing and Collections Policy By-law will need to be amended to reflect the cessation of Alectra Utilities as the City’s utility billing agent once the City assumes utility billing and collection responsibilities.

Staff has reviewed the current billing and collection policies and recommended some proposed changes as outlined in the Analysis and Rationale for Recommendation section of Report FCS24025.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: None.

Staffing: None.

Legal: Legal Services was consulted in preparation of the By-law and Report FCS24025.

HISTORICAL BACKGROUND

The Utility Billing and Collections Policy By-law will provide a formal procedure in the process of billing and collecting of water, wastewater and storm use charges, accrued interest and other allowable fees on behalf of the municipality. The By-law will provide a clear process for staff eliminating a need for interpretation or risk of differential treatment and establishing fair and equitable processes with the goal to provide the highest level of customer service.

Since 2000, Hamilton City Council has approved the creation / amendment of several distinct policies related to the billing and collection of water, wastewater and storm use charges:

- Billing Policies
 1. New Development Water Customer Attachment Billing Policy (PP-0014)
 2. Water and Wastewater / Storm Third Party Billing Arrangements
 3. Water and Wastewater / Storm Back-Billing Policy (PP-0015)
 4. Water and Wastewater Consecutive Estimated Accounts Policy (PP-0009)
 5. Water Leak Adjustment Policy (PP-005)
 6. Private Water Service Line Leak Wastewater Bill Adjustment Policy (PP-015)
 7. City of Hamilton Water and Wastewater / Storm Extraordinary Circumstances Bill Adjustment Policy (PP-0011)
- Collection Policies
 8. City of Hamilton Water and Wastewater / Storm Arrears Policy (PP-0004)
 9. City of Hamilton Water and Wastewater / Storm Billing Payment Arrangement Policy (PP-0012)
- Schedule A – Privacy Statement

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

If the recommendations contained in Report FCS24025 are approved, the current standalone utility billing and collection policies will be consolidated into a new Utility Billing and Collections Policy By-law.

RELEVANT CONSULTATION

Corporate Services – Legal Services has been consulted regarding the recommendations of Report FCS24025.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Staff has reviewed the current utility billing and collection policies and recommended some proposed changes as outlined below:

Consolidated Utility Billing and Collections Policy

Staff is recommending that the various standalone utility billing and collection policies listed in the Historical Background section of Report FCS24025 be consolidated into one overarching policy. A consolidated policy will enhance transparency and ease of reference for customers and staff that administers the City's billing and collection policies. As part of this consolidation, policies have been reviewed for consistency. Minor changes have been made to ensure definitions and terminology within the By-law are consistent, but the substance of the existing policies has been maintained except for the change to delegated authority for billing payment arrangements set out below.

Billing Payment Arrangement Policy

When the Payment Arrangement Policy was first established in 2008, standard / special payment arrangements that exceed \$100 K required approval from City Council typically via a recommendation report to the Audit, Finance and Administration Committee. As water and wastewater rates have more than doubled since 2008, there have been increasingly more instances where back billings for large use customers have exceeded \$100 K resulting in payment arrangements requiring Council approval. Hence, staff is recommending that the General Manager, Finance and Corporate Services, be granted delegated authority to approve bill adjustments and payment arrangements up to \$200 K.

ALTERNATIVES FOR CONSIDERATION

N/A

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS24025 – City of Hamilton Utility Billing and Collections Policy By-law

JS/dt