

Security Deposits Policy

1.0 Policy Statement

The City of Mount Pearl requires security deposits for all development applications to ensure that commercial and residential development is completed to City standards. The City will hold deposits upon final inspection and satisfactory completion of the project. The City will also follow up on project progress and compliance through inspections.

2.0 Scope

This policy applies to landscape security deposits, site security deposits and accessory building security deposits for both commercial and residential development.

3.0 Purpose

The purpose of this policy is to establish a procedure for the processing of security deposits submitted to the City of Mount Pearl for commercial and residential development.

4.0 Security Deposit Procedure

The City of Mount Pearl will implement the following steps for the processing of landscaping development deposits:

- i. Upon receipt of landscaping application and security deposit, the City will open an active planning file in File Registry to track development applications.
- ii. In addition, each landscaping application will also be added to the City's security deposit register, which will be maintained and reviewed by the City's Finance Division.
- iii. The City will conduct regular reviews of all its existing planning files in a 6-month interval to track progress and to ensure the work is been completed according to City standards. The reviews will include a call to the depositor and personal inspections of the property which will be documented and filed.
- iv. If there is damage to municipal infrastructure, the deposits may be used to offset the cost of enforcement procedure and may be cashed as a penalty for non-compliance to conditions.
- v. Once the required work is complete, a final inspection of the work will be performed.
- vi. If the work is completed according to City's standards, the inspector will complete a security deposit release form and submit the authorized authority for approval.
- vii. Once signed and approved by the signing authority, the security form will be forwarded to Accounts Payable for payment and to the Finance Division to update the security deposit register.

5.0 Incomplete Development

- a. Development work that has not been completed after two years will trigger a formal letter to the depositor requesting that the work is completed.
- b. Development work that has not been completed after four years will trigger a formal letter requesting that the work is completed within 12 months. If the work is still uncompleted within this period, the deposit will be forfeited, and the work completed by the City at the taxpayer's cost.
- c. After five years of uncompleted work, the City will retain the deposit and arrange for the required work to be completed. If the costs of the required work exceed the amount of the security deposit, a bill will be sent to the taxpayer and/or company.
- d. For instances where property is transferred to a different owner, the current property owner would be required to complete the work according to City's standards. Except in limited circumstances, the deposit will be returned to the developer who made the deposit.

6.0 Unclaimed Deposits Older Than Five Years

The City of Mount Pearl will take substantial efforts to contact depositors prior to taking the funds into income. For deposits older than five years, the City will undertake the following steps:

A) Residential Deposits

- The City will send letters to taxpayers whose deposit has been held for more than five years.
- The letter will include details on the amount of the deposit held, the work that was to be completed and the process for the final inspection and the release of the deposit. The letter will also indicate that if no response is received by the City within 90 days of the date of the letter, the deposit will be forfeited to the City.

B) Commercial Deposits

- The City will send a notification of deposit letter will be sent to all companies who are still in operations and whose deposit has been held for more than five years.
- The letter will include the amount of the deposit held and the work that was to be completed. Details will be given regarding the process for the inspection of the work and the release of the security deposit. The letter will also indicate that if no response is received by the City within 90 days of the date of the letter, the deposit will be forfeited to the City.
- For instances where the company is no longer operating, the deposit will be forfeited to the City.

7.0 Approvals



Steve Kent, Chief Administrative Officer

January 14, 2019

Date