

Collections Policy

1.0 Policy Statement

The City of Mount Pearl shall utilize all methods at its disposal to ensure the effective collection of outstanding accounts. Collection procedures may commence on all accounts that are outstanding beyond 30 days. As a point of contact between the City and its citizens, collection activities will be carried out in a fair but firm manner, and in accordance with this policy.

2.0 Scope

This policy applies to the collection of all outstanding accounts including residential, commercial and multi-residential.

3.0 Purpose

The purpose of this policy is to establish a policy and procedure for the City of Mount Pearl on the collection of outstanding accounts.

4.0 Tax Collection Procedure

The City of Mount Pearl will commence collection procedures on all accounts that are outstanding beyond 30 days. The following procedure will be followed:

1. Collection Letters and Phone Calls

In addition to quarterly statements, the Collections Administrator will attempt to establish contact with the debtor by sending three collection letters requesting the debtor to make payment or contact the Collections Administrator to make payment arrangements. These letters may be sent to the debtor's last known mailing address in the following intervals:

- 1st Collection Letter: 10 days after due date
- 2nd Collection Letter: after an additional 10 days
- 3rd Collection Letter: after an additional 7 days

If this process does not result in contact with the taxpayer, the Collections Administrator will then try to contact the taxpayer by phone or email.

2. Service Disconnection, Rental Seizure and Small Claims

If contact has not been made or payment arrangements have not been satisfactorily maintained, the Collections Administrator in consultation with the Manager of Finance may initiate water disconnection, rental seizure and/or small claims. In extenuating circumstances where these

actions are not effective, tax sale of the property will be considered for property tax arrears only. The Collections Administrator in consultation with the Manager of Finance will decide appropriate course of action on a case by case basis.

a) Water Disconnection

The water disconnection process will commence with a water shut off notice being hand delivered to the civic address. The tax payer is then given until 4pm of the next business day to contact the Collections Administrator to establish payment arrangements. If no contact is received within the 48 hours, the UTM division will mark the property for water shut-off with a large "X" where the Dolby is located. Within 24 hours of marking or when members of the UTM crew are available, the UTM division will dispatch a crew to the property to disconnect the water service.

b) Rental Seizure

If the subject property is known to be a rental property with a tenant, then the rental seizure will be initiated. First, a rental seizure letter will be sent to the landlord notifying that if no arrangement is made then rental seizures will commence. After 10 business days, if there is no response made by the landlord, the rental seizure letter with a copy of the *City of Mount Pearl Act* will be sent to the tenant and a copy to the landlord. The rental seizure will remain in effect until the outstanding tax balance is paid and notice of termination of the rental seizure is provided to both the tenant and landlord.


c) Small Claims

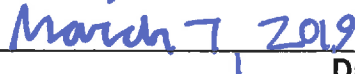
Small claims collection process may be initiated for amounts up to \$25,000 plus the cost of small claims fees. Any tax sale will be in accordance with the provisions of Section 161 of the *City of Mount Pearl Act*.

3. Collection Agency

Other receivables greater than \$300 may be sent to a collection agency under special circumstances as determined by the Collections Administrator in consultation with the Manager of Finance. This applies only to miscellaneous receivable. Property and business taxes are collected internally and will not be sent to a 3rd party collections agency.

5.0 Approvals



Steve Kent, Chief Administrative Officer


Date