

Utility arrears on the rise in Bancroft

By Nate Smelle

Town treasurer Arthur Smith's provided council with a financial update on Bancroft's water and wastewater services at their meeting in Dungannon on Tuesday, Aug. 8. His report highlighted that the arrears generated from residents who have failed to pay their water and sewer bills have increased to \$24,967 in 2017. To provide a comparison, CAO Hazel Lambe stated that in 2015 the arrears as of July 31 amounted to \$20,471; in 2016 \$19,050.

An additional \$12,163 which showed up in the 'Financial Implications' section of the report under the category of 'Transferred to Tax Roll' raised questions from council regarding whether it was to be added to the total arrears for 2017. Lambe said that the \$12,163 was not to be added to the arrears for 2017, because it was actually accumulated arrears from previous years that were transferred to the tax roll. She said this occurred in the past when the town's administration interpreted the bylaw in a way which permitted them to transfer the arrears from uncollected utility charges to taxes. Lambe explained that when these uncollected funds were applied to taxes, the utilities for these residents were left in operation, so the amount owing continued to be added to the tax roll. Once these arrears were applied to taxes, she said the service should have been stopped.

To help residents from defaulting on their utility bills, Lambe said the town is willing to work with residents having difficulty to develop payment options.

'We know it can happen to anyone - you have a bad year... or whatever - so we set up payments with people and it has worked really well,' she said.

'I'm sure the people who had utilities added to their taxes don't realize that to get it out they have to pay everything including their taxes, because it's considered as a tax now. So it's not that they can just pay the utility bill to get their water turned back on.'

Before residents get themselves in trouble with unpaid utility bills, Smith said it's best for them to be proactive and approach the town to come up with a solution.

'If you were to say I'm having problems and I need to make arrangements, I'm more willing to say hey what are we looking at, versus me going around knocking on doors saying pay up,' he said.

'I'm going to be a little more strict on my terms to make sure they're eating into the deficit than if they were to approach me. Let's be honest, not everyone follows the agreements. The reactive ones are more likely to default on the agreement.'

Smith said the total amount accumulated in outstanding receivables at this time last year was \$99,691. This number increased by \$68,592 in 2017 - up 77 per cent from last year. Although during this period utility rates went up by 53 per cent on the average residential bill, Smith asserted that the new rates are not causing any major changes in the collection rate for the town. The reason he said is because the rate fluctuates throughout the year with higher usage and outstanding balances occurring during the summer months.

The report also revealed that halfway through 2017, Bancroft has spent \$496,625 (54.9 per cent) of the \$904,059 allocated in the budget for water services. At the same time, the town has only used \$542,948 (29.7 per cent) of the \$1,826,032 in the budget for sewer services.