



MEMORANDUM

TO: Members of General Committee
FROM: Shane Manson, Senior Manager Revenue & Property Tax
DATE: Thursday, February 21, 2019
SUBJECT: Digital Payment Initiative

On February 19th, 2019, staff presented the Digital Payment Initiative report to General Committee. The report sought Council approval to discontinue the acceptance of cash and cheques as forms of payment for transactional services completed through the cash management and contact centre service counters effective January 1st, 2020. This initiative would have enabled the migration of all payment transactions completed through the contact centre and cash management counters to digital forms of payment.

Committee members discussed the following:

- The timing of and implementation period for the initiative
- The impact on payment preference for some residents (specifically seniors) and business owners who may not be familiar with or have the ability to pay digitally
- Maintaining the acceptance of cheques as a form of payment for transactional services
- The possibility of rolling out the initiative in phases to allow residents more time to adapt to the proposed changes; and,
- Consulting with the Seniors Advisory Committee to better understand the impacts on seniors

Through the discussion, the Treasurer suggested that the Committee should consider eliminating the acceptance of cash payments for property taxes only. Committee requested that Staff prepare a memo addressing the discussion and return to the March 4, 2019 General Committee meeting.

In light of the feedback received from Committee and the proposal tabled by the Treasurer, Staff are recommending that the Digital Payment Initiative be modified to include the acceptance of cheques for transactional services completed at the Civic Centre service counters. Therefore, only the acceptance of cash payments for property taxes will be discontinued effective January 1st, 2020.

As noted in the report entitled Digital Payment Initiative dated February 19th, 2019, Staff will implement a comprehensive communication plan throughout 2019 to effectively inform residents and business owners that the acceptance of payments made by cash will be discontinued in 2020. However, to ensure there is awareness and a smooth adoption, Staff propose to implement a one (1) year grace period. Within the first year (2020) of the initiative, cash management will facilitate the acceptance cash payments for property taxes, on a one-time only basis. Staff will utilize this transition period, as an opportunity to support and educate our residents and business owners that cash payments are being discontinued.

Upon completion of the transition/grace period and effective January 1st 2021, the contact centre and cash management service counters will accept the following forms of payment in-person:

- Cash - all transaction types (excluding property taxes)
- Cheques – all transaction types
- Debit Card – all transaction types
- Credit Card – all transaction types (excluding property taxes)

Residents and business owners will continue to have the ability to utilize the following online payment methods to complete their service transactions:

- Pre-authorized payments – for property tax payments
- Online Banking – all invoice based transaction types

It is anticipated that the discontinuation of cash payments for property taxes will result in annual savings of \$4,500, which is attributed to the following payment service;

- Armoured Courier Service: The City utilizes the services of a professional armoured courier service for the transportation of deposits (cash) between the Civic Centre and the bank. This service would no longer be required at this location.

As a result of this initiative, it is projected that there will be an uplift in the costs associated with merchant services due to an increase number of customers completing in-person debit card payments for property taxes. Staff estimate the increase in merchant service costs for this initiative to be less than \$1,500. Staff will report back in 2021 with the results and feedback of the initiative, along with possible future payment modification opportunities for Council consideration.

Recommendation:

1. That the memo entitled Digital Payment Initiative dated February 21th, 2019 be received; and,
2. That Council approve discontinuing the acceptance of cash as a form of payment for property taxes effective January 1st, 2020; and,
3. That Staff will report back in 2021 with the results and feedback of the initiative, along with possible future payment modification opportunities for Council consideration; and,
4. That staff be authorized and directed to do all things necessary to give effect to this resolution.