

Council Policy No.:	CP2025-008
Council Policy Name:	Credit Granting Policy
Date Approved by Council:	December 9, 2025 CR2025-475
Date revision approved by Council:	
Related SOP, Management Directive, Council Policy, Forms	

Policy Statement and Rationale:

Council wishes to have a policy that will allow the City to extend credit to customers within specific areas.

Scope:

This Policy will apply to all charges where the service is received in advance of payment and is not covered through an existing Agreement.

Policy:

1. Charges Recovered through Property Tax Bills

- 1.1 Charges under the Drainage Act, and O.Reg. 586/06 Local Improvements – Priority Lien Status are priority liens to the municipality and can be recovered by adding the charges to the Property Tax Roll. This Policy provides the opportunity to extend repayment of capital costs over an extended timeframe when specific parameters are met.
- 1.2 The City shall allow for a debenture for a period of 10-years to be repaid through the annual property taxes for work under the Drainage Act or work on private property, under O.Reg. 586/06 – Local Improvement Charges – Priority Lien Status, dealing with water and or sewer connections if the amount due exceeds \$1,000.00.

- 1.3 For new municipal drain construction, property owners with a lot size of 1 hectare or less are eligible to claim a rebate of up to \$1000.00 towards their assessed cost for new drain construction provided they are receiving no other grants or rebates from any other source. This rebate will be funded from the Municipal Drains annual capital program.
- 1.4 The property owner shall notify the City of their interest to participate in the program within the timeframe provided in the initial correspondence.
- 1.5 Applications for rebate or debenture after the due date of the initial assessment invoice to the property owner shall not be considered.”
- 1.6 Interest shall be charged at the lending rate charged by Infrastructure Ontario (or subsequent ministry or agency) to municipalities plus 2%.
- 1.7 Debentures shall be recovered through the annual tax bill.
- 1.8 An administration charge shall be collected in accordance with the Consolidated Fees By-law.
- 1.9 Additional penalty and interest charges shall be levied if the payments are not made on or before the installment due dates.
- 1.10 The debenture charge may be paid in full advance with penalty.

2. Credit for Services Received in Advance of Payment

- 2.1 Where a potential customer wishes to use a service of the City and be invoiced for the service a Credit Application shall be submitted.
- 2.2 A Personal Guarantee shall be included with the Credit Application.
- 2.3 Where there is no Credit Application filed, incomplete credit history, or a poor credit report, the customer shall be provided the opportunity to have an account as long as a deposit is placed with the City and the account remains in a credit balance.

Revision History:

Proposed Date of Review:

Revision	Date	Description of Changes	Requested By
0.0	01/20/2021	Updated Policy Template	
1.0	April 20, 2021	Updated Policy Number	Council
2.0	December 9, 2025	Policy CP2025-008 approved to replace CP2021-017	Council