



Township of North Kawartha

280 Burleigh Street, PO Box 550, Apsley, ON K0L 1A0
Tel: 705-656-4445 | 1-800-755-6931 | Fax: 705-656-4446
www.northkawartha.ca

Report to Council

To: Mayor and Council Members
From: Dianna Everson, Deputy Treasurer
Date: October 15, 2026
Subject: Waiving Penalties - TD Online Banking Payment Error

Recommendation:

That Council deny the request for forgiveness of interest/penalty which was added to the tax account after the September 28, 2026 installment due date.

Background:

By-Law #2026-009, which stated that the interest to be charged on tax arrears and unpaid taxes shall be at the rate of 15% per annum as authorized under the provisions of the Municipal Act, and that the Treasurer shall add to the amount of all tax arrears and unpaid current taxes at a rate of 1.25% per month on the first day of each and every month the default continues, was passed at the February 3, 2026, Council meeting. Under the Municipal Act, all property owners are to be treated equally. Providing penalty relief to one property owner would be an unfair advantage.

Analysis:

On September 21, 2026, it came to our attention that the payment option to North Kawartha (taxes) through online banking at TD Canada Trust was not available. Contact was made to the service department at RBC to find out if they were able to find a reason for this missing payee option. TD bank was advising their clients that "TD bank no longer had a relationship with North Kawartha as an available payee". RBC's Corporate Creditor Team worked directly with TD Bank to solve this problem. On September 24th it was determined that this was an oversight on TD's side. The situation was corrected overnight and the service became available on Friday, September 25th.

The staff of the North Kawartha Finance Department received many calls and emails about the TD error. Once corrected, the error was explained to property owners who contacted us. Many of the property owners who were unable to pay their taxes between September 21st, and September 24th were able to do so before the tax penalty was added on October 2nd. Because the issue was corrected in time, the total amount of



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\$310,567.88 was received from Property owners between September 25th and September 28th. For any property owner who reached out to us, once arrears letters were received, it was suggested that the penalty notice should be given to TD Bank for reimbursement due to the fact that it was the Bank's error and not any fault of the Township.

Financial Implications:

Interest/penalty of \$25.40

Strategic and/or Other Plans:

- 3.1 Maintain a Strong, Accountable Municipal Government.
- 3.2 Maintain policies that enable effective governance.
- 3.3 Provide for effective Township Communications.

Consultant(s) Sourced:

Toby Calnan- RBC Commercial Banking Advisor

Attachment:

- 1. By-law #2026-0009; being a by-law to provide for the payment of taxes during the current year and to provide for penalty/interest to be applied on unpaid taxes for the current year and previous years for the Township of North Kawartha
- 2. Email from Resident (A. Kennedy)