

Committee of the Whole (1) Report

DATE: Tuesday, September 14, 2021

WARD(S): ALL

TITLE: ELIMINATION OF CASH TRANSACTIONS

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

ACTION: DECISION

Purpose

To obtain Council approval to eliminate cash transactions at City Hall and all City run locations, including such facilities as the Joint Operations Centre, Community Centres and Animal Services.

During the COVID-19 pandemic, the cashier counter and other counter services have been closed to the public. The public has been able to make payments for City transactions electronically via City portals, electronic banking or mail. Moving to cashless payment transactions on a permanent basis provides for a safe and efficient form of payment and is recommended to continue upon the reopening of City facilities to the public, as part of the post COVID-19 business integration plan.

Report Highlights

- Since the onset of the COVID-19 pandemic City facilities have been closed to the public and have not been accepting cash as a payment method.
- Alternative forms of payment such as on-line payments, electronic banking, credit card, debit card, cheque as well as cash at financial institutions are now being used as effective and efficient payment methods.
- The elimination of cash transactions mitigates or eliminates certain risks.
- A Communications Strategy will be developed to inform the public and promote alternative payment methods.

Recommendations

1. That the Elimination of Cash Transactions be approved; and
2. That staff be authorized to undertake all relevant actions in implementing this approval, including the updating of related policies and procedures and the communication of the approval to the public.

Background

Prior to the onset of the COVID-19 pandemic, City of Vaughan facilities processed payments received from the public for various services, products and/or departmental requirements. Accepted methods for payment through the different facilities included cash, on-line payments, electronic banking, credit card, debit card and cheque.

During the COVID-19 pandemic, City facilities were closed to the public. As such, the City was not able to accept cash and has not accepted cash as a form of payment since March 2020. Alternative forms of payment such as on-line payments, electronic banking, credit card, debit card, cheque as well as cash at financial institutions are now being used as effective and efficient payment methods. All products and services available at all City facilities can be paid for through alternative payment methods.

Previous Reports/Authority

Not applicable.

Analysis

With the onset of the COVID-19 pandemic, City facilities were closed to the public and the City was not able to accept cash. Alternative forms of payment such as on-line payments, electronic banking, credit card, debit card, cheque as well as cash at financial institutions are now being used as effective and efficient payment methods for all products and services. Further, the City of Vaughan libraries made a decision earlier in 2021 to remain cashless on a permanent basis.

Receiving cash as a method of payment includes a number of inherent risks such as:

- the risk of theft, robbery;
- counterfeit risk;
- administrative inefficiencies in reconciliation efforts;
- health and safety risks for staff associated with physical handling of currency;

The elimination of cash transactions mitigates or eliminates these risks.

Alignment to Strategic Plan

The opportunity to go cashless aligns with the 2018-2022 Term of Council Service Excellence Strategic Plan. This specifically supports the strategic objectives related to Operational Performance by streamlining processes and optimization of digital / electronic payment methods.

Challenges

The most significant challenge resulting from the elimination of cash transactions is the potential negative response from some members of the public who desire to continue using cash. Eliminating cash transactions may cause some concern for residents who were paying in cash prior to the pandemic, however, the public has become accustomed to paying through alternative methods over the past 18 months.

There will be a need for clear communications to the public and City staff. This also presents an opportunity to reach out to the public and educate them on alternative forms of payment as was done during various public service announcements by the City throughout the pandemic.

Municipal Comparators

Municipality	Eliminating Cash	Comments
Aurora	Partial	Property tax and water payments only
Brampton	Partial	Property tax and Building Division Fees only
Caledon	Considering	Continue to accept cash and will discourage cash in favour of other methods of payment.
Georgina	No	
Markham	Partial	Property taxes only
Mississauga	Partial	Community centres still accept cash
Newmarket	Considering	Expect to take a report to Council this year with a recommendation to go cashless in 2022
Oakville	Partial	All payments made at Town Hall only
Richmond Hill	No	
Toronto	No	

Financial Impact

There is the possibility of cost savings associated with improved staff administrative efficiencies and a reduction in cash reconciliation efforts. However, this may be offset by additional costs associated with alternative payment methods. There may also be potential cost savings related to reduced armoured car services for community centres and the Joint Operations Centre.

Broader Regional Impacts/Considerations

Not applicable.

Conclusion

In response to the COVID-19 pandemic alternative forms of payment such as on-line payments, electronic banking, credit card, debit card, cheque as well as cash at financial institutions are now being used as effective and efficient payment methods. The elimination of cash transactions mitigates or eliminates certain risks and may present opportunities to gain efficiencies and reduce costs.

It is recommended that as part of the reopening of facilities to the public, the City eliminate cash transactions.

For more information, please contact: Dean Ferraro, Director of Financial Services/Deputy City Treasurer, ext. 8272.

Attachments

None.

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