

Staff Report

Financial Services Department



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REPORT TO: Finance and Corporate Services Committee

DATE OF MEETING: February 24, 2025

SUBMITTED BY: Saleh Saleh, Director, Revenue, 519-904-6308

PREPARED BY: Marcy Ignor, Manager Utility Billing and Customer Service, 519-783-8057

WARD(S) INVOLVED: All

DATE OF REPORT: January 7, 2025

REPORT NO.: FIN-2025-023

SUBJECT: Uncollectable Miscellaneous Receivable Accounts Write-Off

RECOMMENDATION:

That uncollectable miscellaneous receivable accounts amounting to \$28,642 be written off against the Allowance for Doubtful Receivables.

REPORT HIGHLIGHTS:

- As per council policy, approval from Council is required for accounts to be written-off and sent to an outside collection agency for third party collection efforts.
- Staff have worked diligently in attempting to collect on these accounts but have not been successful in the process.
- This report recommends that accounts totalling \$28,642 be written off and forwarded to an outside collection agency.
- This report supports the delivery of cores services.

BACKGROUND:

As per council policy FIN-FEE-517 Utility and Miscellaneous Receivable policy, approval from Council is required for accounts to be written-off and sent to an outside collection agency for third party collection efforts.

This report represents miscellaneous receivables accounts that are deemed to be uncollectable by collections staff. Miscellaneous receivables represent services that are generally billed through the City's financial system (SAP). Examples of miscellaneous receivables include Direct Detect for alarm monitoring, Parking and Cemetery sales. Property tax and utility accounts are not included in miscellaneous receivables.

*** This information is available in accessible formats upon request. ***
Please call 519-741-2345 or TTY 1-866-969-9994 for assistance.

REPORT:

Staff are recommending that accounts totalling \$28,642 be written off and forwarded to a collection agency. Staff have worked diligently in attempting to collect on these accounts but have not been successful in the process.

The collection procedures staff have undertaken include:

- Sending customers statements and demand letters.
- Verbal request by telephone or in person.
- Negotiating revised payment terms.
- Applying any deposits held to the outstanding amounts.
- Transferring uncollectable items to the customer's property tax account were permitted by the Municipal Act.

The current amount being recommended to be written off relates to 20 customer accounts for services provided in the following areas:

Cemeteries	8,838
Parking	595
Economic Development	3,714
Fire	392
Utilities	15,103
Total	28,642

The cumulative amount of write-offs identified in this report equal \$28,642 and relate to the years 2023 and 2024. The cumulative write-offs are shown in the table below and the average is well below the targeted upper limit for write-offs set at 0.3% previously approved by Council.

Miscellaneous Receivables Write-off			
	Cumulative	Total \$ Invoiced	Write-offs as a
	Write-offs for the Year	Year to Date	% of Sales
2024	\$ 3,591	\$ 39,474,200	0.0091%
2023	\$ 45,575	\$ 37,174,640	0.1226%
2022	\$ 32,228	\$ 30,280,755	0.1064%
2021	\$ 38,573	\$ 27,380,864	0.1409%
2020	\$ 55,769	\$ 23,088,516	0.2415%
Total	\$ 175,736	\$ 157,398,975	0.1117%

STRATEGIC PLAN ALIGNMENT:

The recommendation of this report supports the achievement of the city's strategic vision through the delivery of core service.

FINANCIAL IMPLICATIONS:

The uncollectable accounts will be written off against the Allowance for Doubtful Receivables account.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City's website with the agenda in advance of the council / committee meeting.

PREVIOUS REPORTS/AUTHORITIES:

- FIN-FEE-517 Collections- Utility and Miscellaneous Receivable

APPROVED BY: Jonathan Lautenbach, Chief Financial Officer, Financial Services