

Staff Report



Financial Services Department

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REPORT TO: Community and Infrastructure Services Committee

DATE OF MEETING: March 6, 2023

SUBMITTED BY: Saleh Saleh, Director, Revenue, 519-741-2200 ext. 7346

PREPARED BY: Marcy Ignor, Manager, Utility billing and Customer Service, 519-741-2200 ext. 7460

WARD(S) INVOLVED: ALL

DATE OF REPORT: January 6, 2023

REPORT NO.: FIN-2023-032

SUBJECT: Uncollectable Miscellaneous Receivable Accounts Write-Off December 2022

RECOMMENDATION:

That uncollectable Miscellaneous Receivable Accounts amounting to \$8,781 be written off against the Allowance for Doubtful Receivables.

REPORT HIGHLIGHTS:

- As per council policy, approval from Council approval 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 \$8,781 be written off and forwarded to an outside collection agency.

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.

REPORT:

Staff are recommending that accounts totalling \$8,781 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	1,398
Fire	69
Parking	6,039
Operations	333
Utilities	942
Total	8,781

The cumulative amount of write-offs identified in this report equal \$8,781 and relate to the years 2021 and 2022. 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.

	Cumulative	Total \$ Invoiced	Write-offs as a
	Write-offs for the Year	Year to Date	% of Sales
2022	\$ 12,791	\$ 30,280,755	0.0422%
2021	\$ 38,573	\$ 27,380,864	0.1409%
2020	\$ 55,769	\$ 23,088,516	0.2415%
2019	\$ 44,077	\$ 26,057,740	0.1692%
2018	\$ 54,464	\$ 23,132,498	0.2354%
Total	\$ 205,674	\$ 129,940,373	0.1583%

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