

November 7, 2011



City Council Committee Report

TO: Mayor & Council

FR: Heather Kasprick, Deputy Clerk

RE: Establish Fees for the Costs of Collections for POA fines

Recommendation:

Whereas the Provincial Offences Act provides authority for a municipality to collect fines levied in respect of proceedings under Parts I, II and III, including costs and fees of the Provincial Offences Act and to enforce their payment; and

Whereas the Provincial Offences Act provides the ability of a municipality to collect any other charge as permitted with written consent of the Attorney General when obtained in advance; and

Whereas the Municipal Act provides authority for a municipality, if it uses a registered collection agency to recover debt, including the collection agency's reasonable costs of collection of the said debt; and

Whereas the Municipal Act provides authority for a municipality to pass by-laws to impose fees or charges on any class of persons, for costs payable by it for services or activities provided, or done by, or on behalf, of any municipality or local board;

Now Therefore be it Resolved that Council gives three readings to a by-law to establish fees and charges for the costs of collection of Provincial Offences fines that are due and unpaid; and further

That these collection agency recovery costs be set at a range between 10 and 20 percent.

Background:

As part of the realignment of services between municipalities and the Province, the municipalities were transferred responsibility for the Provincial Offences Act (POA). In October 2000, the City began administering the Provincial Offences Act (POA) for the Red Lake, Ear Falls, Sioux Narrows/Nestor Falls and Kenora areas.

The municipality uses a Collection Agency to pursue outstanding fines that are convicted and unpaid. The current collection agency costs are 15.9% of each outstanding fine that is remitted to the Agency for collection.

These costs can now be recovered through our ICON system with approval from the Ministry of Attorney General. In order to add these costs to the outstanding fines, Municipal partners must seek the Ministry of Attorney General's consent and submit a written request accompanied by a copy of Council resolution and/or by-law approving the use of the registered collection agencies and information regarding the reasonable charges associated with the use of registered collection agencies.

Once consent to recover collection agency costs from the Ministry is received, we can begin to add these costs directly to the outstanding fines for immediate collection.

According to the Ministry of Attorney Generals policy, municipal partners must reapply for consent if the rates change or are different from what was originally approved. In order to avoid having to reapply if a better rate is negotiated, or a slight increase occurs, I may also apply for consent for a range of collection rates rather than a specific rate. This will help to ensure that we have flexibility to adjust to changing circumstances without having to reapply for the Attorney General's consent in the future.

I am seeking approval for a collection agency recovery cost in the range of 10-20%.

Budget:

This could have considerable impacts on the POA budget with a decrease in non-collectable collection agency fees.

Communication Plan/Notice By-law Requirements:

By-law approval required for notification to the Ministry of Attorney General.