



Date: September 27, 2011

City Council Committee Report

To: Mayor Canfield & Members of Council

Fr: Bill Ranger

Re: Receivables Write Offs

Recommendation:

That Council hereby approves the write off of accounts totalling \$32,010.75 including applicable taxes; and further

That City staff be directed to continue collection efforts on these accounts.

Background:

Attached is a report from Bill Ranger, Customer Service & Collections Supervisor, which summarizes a listing of inactive accounts that are eligible for write off under City policy currently before Council, which states:

"Accounts shall be written off on a calendar year basis. Accounts deemed to become inactive during one calendar year shall be held on the records for the entire following calendar year. Write off shall occur in the second year following the year the account is deemed to become inactive."

The write off list relates to accounts currently on the City's records that are considered to be uncollectible which became inactive in the 2009 calendar year. The last write off of City receivables was performed in April 2010, and related to 2008 inactive accounts. For comparison purposes, attached to this report is a table which provides information on the amounts written off by the City, including taxes, since the annual write off of accounts was first implemented by the City.

Account write offs can fluctuate each year. While the 2010 write off amount continues to be down significantly from the historical average, the upward trend in account write offs continues from the 2008 write off of 2006 inactive accounts. There is no question that this is a result of the current economic climate, one which the City has been working against for several years now.

Despite this, the write off balances recommended continue to be reasonable, largely due to the aggressive collection procedures actively performed through the City's collections department.

It is recommended that these accounts be written off as per City policy. Despite the write off, City staff will continue to aggressively pursue these accounts. The write off, however, will enable the City to reclaim any GST or PST remitted that was ultimately not collected. This combined represents a total of \$1,342.31 that the City will recover. In the event that an account is still collected upon, the appropriate adjustments to PST and GST collected would be made. A detailed list is available upon request.

A copy of the hydro portion of this list will be forwarded to the Kenora Hydro Electric Corporation Ltd. for their review and independent write off.

Budget:

These accounts are expensed as they become doubtful, which is after they have been outstanding for ninety days. There will be no incremental expense to the City, and the City will be able to recover uncollectible taxes that were previously remitted.

Communication Plan/Notice By-law Requirements:

This item is housekeeping in nature. No further communication is required.

Cc: Karen Brown
Charlotte Edie
Bill Ranger

City Receivables Write Off History:

<u>Department:</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	<u>Write-Offs</u>	<u>Write-Offs</u>	<u>Write-Offs</u>	<u>Write-Offs</u>	<u>Write-Offs</u>	<u>Write-Offs</u>	<u>Write-Offs</u>
	<u>in 2005</u>	<u>in 2006</u>	<u>in 2007</u>	<u>in 2008</u>	<u>in 2009</u>	<u>in 2010</u>	<u>in 2011</u>
Daycare	-	100.00	-	1,068.00	1,555.00	584.00	367.36
Recreation Centre	2,627.62	374.50	428.00	1,893.47	66.80	-	-
ARS Sundry	1,834.24	1,761.51	1,483.04	-	634.01	1,912.02	2,970.11
Emergency Services	-	-	32,556.35	-	-	-	-
Parking	71.12	-	-	-	-	-	73.27
Cemetery *	-	-	-	4,704.03	3,448.61	8,370.84	3,366.75
Transfer Station	693.76	-	-	-	314.20	-	5,500.30
Hydro	24,857.63	11,695.84	11,371.32	10,571.91	16,742.70	14,559.70	17,607.13
Water / Sewer	13,401.13	8,467.37	7,447.42	4,958.48	5,300.89	5,045.27	2,125.83
KMTS **							
Directory	1,368.36	2,492.44	1,546.87				
Telephone	11,956.25	18,691.46	17,753.59				
Internet	9,435.65	24,698.55	8,834.22				
Sundry	82,552.20	-	-				
	<u>148,797.96</u>	<u>68,281.67</u>	<u>81,420.81</u>	<u>23,195.89</u>	<u>28,062.21</u>	<u>30,471.83</u>	<u>32,010.75</u>

* Cemetery accounts were first written off by the City since amalgamation occurred on January 1, 2000 in 2008. For the 2010 write offs, the City continues to play a bit of catch up. Some of these accounts are old accounts that the City continued to receive payments on, but payments were discontinued in 2008.

** With the sale of the KMTS entities, and resulting sale of all KMTS receivables, there will be no write off related to any KMTS entities' receivables on a forward basis.



City of Kenora

1 Main Street S
Kenora, ON P9N 3X2
Phone 807-467-2000
Fax 807-467-2045
www.kenora.ca

September 27, 2011

Charlotte,

Attached, please find detailed listings of uncollectible accounts that should be brought forward to Council for write-off, as of December 31, 2009. The departments included in the attachments are as follows:

DEPARTMENT	HST(P)	HST(F)	TOTAL
Daycare.....	NIL.....	NIL.....	\$ 367.36
Recreation Centre.....	NIL.....	NIL.....	\$ 0.00
ARS Sundry.....	\$44.50.....	\$197.16.....	\$2970.11
Emergency Services.....	NIL.....	NIL.....	\$0.00
Parking.....	\$4.63.....	\$2.90.....	\$73.27
Cemetery.....	NIL.....	\$161.75.....	\$3366.75
Transfer Station.....	NIL.....	NIL.....	\$5500.30
HTE System – Hydro.....	NIL.....	\$980.50.....	\$17607.13
HTE System – Water.....	NIL.....	NIL.....	\$2125.83
TOTALS.....	\$49.13.....	\$1342.31.....	\$32010.75

(TOTALS HAVE APPLICABLE TAXES INCLUDED)

Thanks

William (Bill) Ranger
Customer Service & Collections Supervisor