

**Report to
Rapport au:**

**Transit Commission
Commission du transport en commun
18 April 2018 / 18 avril 2018**

**Submitted on March 29, 2018
Soumis le 29 mars 2018**

**Submitted by
Soumis par:**
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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2018-CSD-REV-0004

SUBJECT: GENERAL ACCOUNTS – WRITE-OFFS 2017

OBJET: COMPTES GÉNÉRAUX – RADIATIONS POUR 2017

REPORT RECOMMENDATIONS

That the Transit Commission receive this report regarding the write off of \$74,295 of the 2017 general accounts, as required by the Delegation of Authority By-law.

RECOMMANDATIONS DU RAPPORT

Que la Commission du transport en commun reçoive ce rapport concernant la radiation d'un montant de 74 295 \$ des comptes généraux de 2017, tel que l'exige le Règlement sur la délégation de pouvoirs.

BACKGROUND

This report addresses the OC Transpo accounts that the City Treasurer determined in 2017 are uncollectible and has therefore written off.

The Corporate Services Department, Revenue Services is responsible for the collection of all accounts billed through the City's financial system including transit fare media and other amounts owed for conventional transit services. The total billed in 2017 was \$73.4 million, of which three accounts are being written off for a total of \$14,426.

The Transit Customer Systems and Planning service area of the Transportation Services Department is responsible for the collection of all fares for Para Transpo service. The total revenue collected in 2017 was \$2.2 million, of which 2,769 individual customer accounts are being written off for a total of \$59,869.

DISCUSSION

The Corporate Services Department, Revenue Services makes every effort to collect all accounts receivable that are due to the City of Ottawa. Efforts include letters, telephone calls, service denial, accounts payable set-offs, referral to City Clerk and Solicitor Department to initiate a claim and assignment to private collection agencies. In some instances, for reasons that are often beyond the City's control, full or partial amounts due cannot be paid. Some of the reasons are death, bankruptcy, indigence, legal recommendation, expiry of the limitation period to commence a legal claim and administrative errors related to the billing.

The Transportation Services Department makes every effort where reasonable to collect on the outstanding Para Transpo customer accounts. These efforts include collection letters and telephone follow-up. These accounts are part of the transition to the new ParaPay account management process, are now deemed uncollectible, and are being recommended for write off.

Effective March 1, 2018 the fare accounts for all Para Transpo customers are managed through the new ParaPay fare system. Consistent with the policy decisions made with the Transit Commission in 2016, accounts in arrears with ParaPay will be subject to a collection process that includes letters, phone calls, suspension of service and as a last resort a referral to Revenue Services, Corporate Accounts Receivable. These efforts have now been instituted, and customer service representatives are discussing with customers any outstanding amounts as customer call to book their trips. This diligence and personal communication will ensure more timely collection of accounts in arrears.

In accordance with section 20 of the Delegation of Authority By-law (2016-369), the City Treasurer is authorized to write off general accounts receivable that the City Treasurer has determined to be uncollectible. This exercise of delegated authority must be reported annually to the appropriate Standing Committee. The list of amounts that have been written off over the previous year and the justification for writing off each item reported are to be maintained by the Deputy City Treasurer, Revenue.

Document 1, on file with the Deputy City Treasurer, Revenue, outlines the three OC Transpo accounts and 2,769 Para Transpo customer accounts. The three OC Transpo accounts total \$14,426, were determined to be uncollectible in 2017, and have been removed from the City's financial system. This represents a collection rate of 99.99 per cent of the total transit accounts billed in 2017. The 2,769 Para Transpo customer accounts total \$59,869 and are also deemed uncollectible and will be removed from the City's financial system. This represents a collection rate of 99.97 per cent.

Corporate Services Department, Revenue Services and the Transportation Services Department policy requires that all write-offs be charged to the allowance for doubtful accounts (AFDA) for transit services. The write-offs do not impact the budget or the 2017 financials.

RURAL IMPLICATIONS

There are no rural implications to receiving the information in this report.

CONSULTATION

The public consultation process is not applicable.

Transportation Services staff have been consulted about individual accounts and the determination that they should be written off.

COMMENTS BY THE WARD COUNCILLOR(S)

There are no comments by ward councillors.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications to receiving the information in this report.

FINANCIAL IMPLICATIONS

Financial implications were identified in the body of this report.

ACCESSIBILITY IMPACTS

There are no accessibility implications to receiving the information in this report.

TERM OF COUNCIL PRIORITIES

This meets Council's priority with respect to Financial Responsibility.

SUPPORTING DOCUMENTATION

Supporting documentation is on file with the Deputy City Treasurer, Revenue.

DISPOSITION

This report is for information purposes only. No further action is required.