SUBJECT: Proposed Write-offs of Outstanding Fines for Provincial Offences and Parking Violation (FCS09081/PED09235) (City Wide)

RECOMMENDATION:

That staff be authorized to write-off all outstanding Provincial Offences, By-Law Offences and Parking Fines, in the amount of $1,468,949.42, deemed uncollectible with a due date of December 31, 2001 as shown in Appendix “A” attached to Report FCS09081/PED09235.

Roberto Rossini
General Manager, Finance & Corporate Services
Corporate Services Department

Tim McCabe
General Manager
Planning and Economic Development Department
EXECUTIVE SUMMARY:

Due to the transfer of outstanding fine revenues from the Province of Ontario as part of their downloading of responsibilities to municipalities, outstanding fines, dating back several years, became the responsibility of the municipality. It is appropriate and necessary to review and purge all revenue deemed uncollectible from the Integrated Courts Offence Network (ICON) on an annual basis. ICON is the Provincially managed database that the Provincial Offences Office is required to use as per the transfer agreement.

BACKGROUND:

As a result of the Provincial transfer of responsibility from the Province to the City on February 7, 2000, the City of Hamilton Provincial Offences Office assumed outstanding revenues (fines) dating back to 1977. There are currently outstanding files that are outside the window for a judgment to be secured in Civil Court, therefore, negating the possibility of further enforcement means. These files are seven years old or more and are now uncollectible in terms of available legal remedies and, therefore, should be written off. As of December 31, 2008, the total outstanding receivables for the Provincial Offences Office, Hamilton Municipal Parking System and other City By-Law offences were $42,019,788. The POA portion of this amount is $40,086,164.

The Provincial Offences Office has an internal collections section and utilizes two collection agencies for outstanding fines. Internal collections were responsible for 40% and external collection agencies were responsible for 9% of the revenues generated by the internal and external collections combined. Internal collections totalled $3,168,052 and the external collection agencies collected $740,606.

ANALYSIS/RATIONALE:

Staff anticipates the amount of the write-offs to be $1,468,949 in uncollectible fines for 2001. The Provincial Offences Office (City Clerk’s Division) portion equals $744,229. This includes offences under the Highway Traffic Act, Liquor Licence Act and other various uncollectible By-Law and Provincial Offences. The Hamilton Municipal Parking System’s portion (Planning and Economic Development Department, Parking and By-Law Services Division) equals $724,720. These amounts also include the Victim Fine Surcharge which is payable to the Province of Ontario.

Write-off reports have been completed, on an annual basis, by the Provincial Offences Office since 2004. All offences filed in the Provincial Offences Office are pursued by way of enforcement if they are not paid by their due date. Enforcement means suspension of a driver’s licence; denial of licence plate renewal and referral to our internal collections and or an external collection agency. Outstanding fines are tracked, through our collection database, wherein chronic offenders can be identified, based upon the criteria that anyone with more than three offences in a five year period is classified as chronic. All chronic offenders’ files are stored on CD, including those that
have been written-off, for reference and possible payment. The chronic offenders’ list is updated on an annual basis.

The approval to write-off these revenues will reduce the accounts receivables owing to the City of Hamilton and allow our collection staff to concentrate their efforts in pursuing more recent fines for which there is a higher probable rate of collection. Future reports will show a decrease in amounts to be written-off with the elimination of older files, the full implementation of plate denial for parking offences and the ongoing improvement in the POA office collection procedures. This write-off request will be the final report to include any outstanding parking fines as the new plate denial system applies to offences from 2002 onward.

ALTERNATIVES FOR CONSIDERATION:

A record is maintained of all write-offs, for future reference, if required. In view of the fact that amounts to be written-off are deemed uncollectible, it would not be cost-effective to continue collection efforts that would yield little or no return.

There is no longer an option not to write-off uncollectible debt as the Ministry of the Attorney General has issued a directive that all POA Offices in the Province establish and maintain write-off policies and procedures.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Staffing Implications

In view of the fact that these revenues remain an outstanding liability to the City, the writing-off of these assets will have no impact on staffing.

Legal Implications

If approved by Council, staff will advise the Ministry of the Attorney General of this recommendation and request that they be authorized to purge these records from the Ministry database (ICON).

Financial Implications

As POA works on a cash basis for accounting purposes, these amounts are not true outstanding receivables on the City books.

POLICIES AFFECTING PROPOSAL:

The above recommendation is in compliance with existing corporate, Provincial policies and procedures and standard accounting practices respecting the writing-off of uncollectible monies.
SUBJECT: Proposed Write-offs of Outstanding Fines for Provincial Offences and Parking Violation (FCS09081/PED09235) (City Wide) - Page 4 of 4

RELEVANT CONSULTATION:

N/A.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No

Environmental Well-Being is enhanced. ☐ Yes ☑ No

Economic Well-Being is enhanced. ☐ Yes ☑ No

Does the option you are recommending create value across all three bottom lines? ☐ Yes ☑ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ Yes ☐ No
# Summary of 2001 POA, Parking and Bylaw Fine Write-offs for Council Report

**May 15, 2008**

## 2001 Write Offs Summary

<table>
<thead>
<tr>
<th>Enforcement Code</th>
<th>Files</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defaulted Fines</td>
<td>1620</td>
<td>$731,206.42</td>
</tr>
<tr>
<td>Suspension Issued</td>
<td>8</td>
<td>$12,899.63</td>
</tr>
<tr>
<td>No Enforcement</td>
<td>1</td>
<td>$123.75</td>
</tr>
<tr>
<td>Parking</td>
<td>10637</td>
<td>$724,720.02</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>12266</strong></td>
<td><strong>$1,468,949.82</strong></td>
</tr>
</tbody>
</table>