SUBJECT: Proposed Write-Off of Outstanding Fines to Provincial Offences and Parking Violations (FCS08066/PED08174) (City Wide)

RECOMMENDATION:

That staff be authorized to write-off all outstanding Provincial Offences, By-Law Offences and Parking Fines deemed uncollectible with a due date of December 31, 2000.

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 revenues 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) that date 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, 2007 the total outstanding receivables for the Provincial Offences Office, the Municipal parking system and all other City by-law enforcement was $34,301,805.13

The Provincial Offences office has an internal collections section and utilized one collection agency for outstanding fines. Internal collections were responsible for 82% and external collection agencies were responsible for 18% of the revenues generated by the internal and external collections combined. Internal collections totalled $2,016,895.82 and the external collection agency collected $427,844.93.

**ANALYSIS/RATIONALE:**

Staff anticipates the amount of the write-off to be $2,225,086.05 dollars in uncollectible fines for 1999 and 2000. The Provincial Offences Office (Clerk’s Division) portion equals approximately $1,619,100.44 dollars. This includes offences under the Highway Traffic Act, Liquor Licence Act and other various uncollectible By-law and Ministry offences. The Hamilton Municipal Parking System portion (Planning and Economic Development Department) equals $605,985.61 dollars. These amounts also include the Victim Fine Surcharge that is payable to the Province of Ontario. There will be no impact on current budget projections as the fine revenue is not accrued annually. POA budgets are based on cash receipts only.

Write-off reports have been done 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 collection or an external collection agency. Outstanding fines are tracked through our collection database wherein chronic offenders can be identified based upon the criteria that any one 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 approved writing-off of 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. Write-offs will continue for 2001 parking offences 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 needed. 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.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Staffing Implications**
In view that these revenues remain as 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).

**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.

**RELEVANT CONSULTATION:**

Finance and Corporate Services
Planning and Economic Development Department (Hamilton Municipal Parking System)
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
Public services and programs are delivered in an equitable manner, coordinated, efficient, effective and easily accessible to all citizens.

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