



MEMO / NOTE DE SERVICE

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TO: Chair and Members of the Environment and Climate Change Committee

DESTINATAIRE : Président et membres du Comité de l'environnement du changement climatique

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15 mai 2023

FILE NUMBER: ACS2023-FSD-REV-0003

SUBJECT: Use of Delegated Authority during 2022 by Revenue Services under the
Delegation of Authority By-law

OBJET : Utilisation de la délégation de pouvoirs en 2022 par les Services des recettes
en vertu du Règlement municipal sur la délégation de pouvoirs

PURPOSE

The purpose of this memo is to provide information to the Environment and Climate Change Committee regarding the use of delegated authority during 2022 by Revenue Services staff in the Finance and Corporate Services Department. The Delegation of Authority By-law No. 2023-67, Schedule “B”, sections 22 and 23, outlines authority that Council has delegated to the Chief Financial Officer / Treasurer, Deputy City Treasurer, Revenue and other management staff within Revenue Services. This memo provides details on the water, wastewater and stormwater accounts that the Deputy City Treasurer, Revenue determined in 2022 are uncollectible and has therefore written off.

BACKGROUND

The Delegation of Authority By-law No. 2023-67, Schedule “B”, sections 22 and 23, outline the various authorities that Council has delegated to Revenue Services management in the Finance and Corporate Services Department. The by-law contains full details, including specific titles of the positions with delegated authority and the limits imposed by the by-law. The list below summarizes the delegate authorities addressed in this memo.

- The Chief Financial Officer / Treasurer and the Deputy City Treasurer, Revenue, individually are authorized to write off general accounts receivable that the Chief Financial Officer / Treasurer or the Deputy City Treasurer, Revenue, has determined to be uncollectible.
- The Chief Financial Officer / Treasurer, the Deputy City Treasurer, Revenue, and the Program Manager, Collections and Cash Handling, individually are delegated the authority to approve, conclude, and execute repayment agreements on behalf of the City of Ottawa.

DISCUSSION

Section 22 - Write Off General Accounts

Revenue Services is responsible for the collection of all accounts billed through the City’s water utility billing system for water, wastewater and stormwater services.

In 2022, the City invoiced approximately \$400 million for water, wastewater and stormwater services. Revenue Services has implemented a rigorous collection process to follow up on outstanding account balances. The collection activities include telephone calls, notices, tax rolling unpaid amounts, shutting off water services and partnering with three private collection agencies to collect outstanding balances. 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.

All write-offs are charged against the allowance for doubtful accounts (AFDA). The AFDA has sufficient funds to cover the write-offs and is replenished annually from the water, wastewater and stormwater business areas to reflect the estimated value at risk of being uncollectible.

Table 1 represents the authority exercised under section 22 of Schedule "B" of the Delegation of Authority By-law No. 2023-67.

Table 1: Section 21 - Write Off General Accounts

Description	Amount (\$)
227 Accounts	\$340,737

The amount written off represents a collection rate of 99.91 per cent of the total amount billed in 2022, one of the highest in the province.

The list of amounts that have been written off in 2022 and the justification for writing off each item reported is on file and maintained by the Deputy City Treasurer, Revenue.

Section 23 - Repayment Agreements

Revenue Services has implemented a rigorous process for follow-up, prescribed collection activities and partnered with three private collection agencies to collect outstanding balances. To reduce the City's financial risk when the debt cannot be paid in full, the City enters into a formal repayment or extension agreement.

In 2022 no repayment agreements were executed for water, wastewater and stormwater accounts.

CONCLUSION

Should you have any questions about the exercise of delegated authority under Schedule "B" Delegation of Authority (By-law No. 2023-67), within Revenue Services in 2022, please do not hesitate to contact the undersigned.

Joseph Muhuni,
Deputy City Treasurer, Revenue Services / Trésorier municipal adjoint, Services des recettes

CC: Cyril Rogers, General Manager and Chief Financial Officer (A), Finance and Corporate Services Department