

**Report to
Rapport au:**

**Transit Commission
Commission du transport en commun
17 June 2020 / 17 juin 2020**

**Submitted on June 8, 2020
Soumis le 8 juin 2020**

**Submitted by
Soumis par:**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2020-FSD-REV-0003

SUBJECT: General Accounts – Transit Write-offs 2019

OBJET: Comptes généraux – Radiations de transport en commun 2019

REPORT RECOMMENDATIONS

That the Transit Commission receive this report on the 2019 general accounts write-off of \$880 as required by the Delegation of Authority By-law 2019-280.

RECOMMANDATIONS DU RAPPORT

Que la Commission du transport en commun reçoive ce rapport concernant la radiation d'un montant de 880 \$ des comptes généraux de 2019, tel que l'exige le Règlement sur la délégation de pouvoirs 2019-280.

BACKGROUND

This report addresses the OC Transpo transit receivable accounts and Para Transpo fares that the Chief Financial Officer/Treasurer determined in 2019 are uncollectible and has therefore written off.

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 Transportation Services Department is responsible for the collection of all fares for Para Transpo Services.

DISCUSSION

In 2019 the Revenue Services invoiced approximately \$65 million in OC Transpo transit receivables, which including a variety of services such as charters, advertising and bulk sale of transit fares and single ride vouchers.

Revenue Services makes every effort to collect all OC Transpo transit receivables that are due to the City of Ottawa. Efforts include letters, telephone calls, service denial, accounts payable set-offs, referral to Legal Services 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.

In 2019 the Transportation Services Department collected approximately \$2.3 million in Para Transpo fares. The Transportation Services Department also 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 written off.

The fare accounts for all Para Transpo customers are managed through the ParaPay fare system. Consistent with the policy decisions made with the Transit Commission in 2016, accounts in arrears with ParaPay are 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. Para Transpo customer service representatives also discuss any outstanding arrears with as they call to book their trips.

This additional diligence and personal communication will ensure more timely collection of accounts in arrears.

In accordance with section 21 of the Delegation of Authority By-law 2019-280, the Chief Financial Officer/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 Acting Deputy City Treasurer, Revenue, outlines one OC Transpo account totalling \$140 and 125 Para Transpo customer accounts totalling \$739.60 that have been deemed uncollectible in 2019 and have been removed from the City's financial system. This represents a collection rate of 99.99 per cent.

Revenue Services and Transportation Services Department policies require that all write-offs be charged to the allowance for doubtful accounts (AFDA) for transit services. The write-offs do not impact the 2019 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 receiving the information 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.