**Village of Rycroft**
**REQUEST FOR DECISION**

**Council Meeting Date: February 16, 2021**

**TOPIC:** Approval to Write Off Outstanding Tax, Utility and Account Receivable Accounts

**ADMINISTRATION RECOMMENDATION:** 1. That Council directs Administration to write off the outstanding balance of $18,461.04 on Tax Roll 26000; 2. That Council directs Administration to write off the outstanding balance of $114.34 of delinquent utility accounts; 3. That Council directs Administration to write off the outstanding balance of $1,098.83 of delinquent account receivable accounts.

**BACKGROUND:** It is a good accounting practice to write off uncollectable accounts to ensure the municipal accounting records are kept clean and accurate. An "uncollectable" account means that the chance of collecting on the account are near nil. For example, it could come from an abandoned tax sale property that was left to the Village to clean up; a situation where the billing was lost in the transfer of property from one owner to another; an administrative practice error where bills went to a non property owner who has left the area.

We now have systems in place to eliminate these gaps to prevent recurrence of these write offs.

Administration is requesting a Council motion to have the following Tax Account written off for a total of $18,461.04

| TAX ROLL NUMBER | TAX ROLL SOLD | EXPLANATION OF EVENTS | TOTAL AMOUNT |
|---|---|---|---|
| 26000 | 2020 | Village acquired property (4630 50 Street) through tax sale in 2018 with outstanding balance of $10,275.72. The cost of demolition was added to the tax roll also in 2018 bringing the balance to $21,817.72. Items recovered from the property were auctioned off, + profits along with - maintenance costs brought the total balance owing on the tax roll in 2019 to $22,172.24. The Village sold the property in 2020 for $5,250. After legal fees and realtor expenses, $3,711.20 was credited to the account leaving $18,461.04 outstanding. | $18,461.04 |

Administration is requesting a Council motion to have the following Utility Account written off for a total of $114.34

| ACCT NUMBER | ACCT CLOSED | EXPLANATION OF EVENTS | TOTAL AMOUNT |
|---|---|---|---|
| 137004 | 2020 | Tax certificate issued; billing went out right after. | $114.34 |

Administration is requesting a Council motion to have the following Accounts Receivable Accounts written off for a total of $1,098.83

| ACCT NUMBER | INVOICE DATE | EXPLANATION OF EVENTS | TOTAL AMOUNT |
|---|---|---|---|
| 169 | 2017 | Snow Clearing. No Work Order attached for backup. | $210.00 |
| 204 | 2017 | Animal Control Fine. Was not sent registered mail, was not paid or transferred to tax roll. | $97.03 |
| 117 | 2017 | Sand/salt application. No work order attached for backup | $157.50 |
| 187 | 2018 | Lot maintenance. Property was in arrears for many years and had multiple maintenance invoices applied to the tax roll, this invoice was missed. Since then the owner has cleared the balance owing in taxes of the property to $0.00. | $84.30 |
| MISC | 2017-2019 | 7 tax certificates issued to various law firms for at a cost of $25 per, spanning from 2017 to 2019. In most cases the amounts are applied directly to the Tax Certificate Revenue GL when cash receipted instead of the AR account. | $175.00 |
| 225 | 2019 | Missed garbage cart pickups. Although unpaid, this invoice did open conversation which resulted in a better system to avoid missing garbage carts for pickup since. | $375.00 |
| **TOTAL AMOUNT OF UTILITIES TO WRITE OFF** | | | **$ 1098.83** |

## IMPLICATION OF DECISION

**FINANCIAL IMPLICATIONS:** The Village will not receive cost recovery for services provided in the amount of $19,674.21

**POLICY AND/OR LEGISLATIVE IMPLICATIONS:** None.

**ALTERNATIVE OPTIONS:**

1. Council could direct Administration to continue attempts to collect the outstanding amounts, understanding the debtors are not easily located.

**ATTACHMENTS:** None

Lisa Shaykowski — February 9, 2021

**Lisa Shaykowski, Finance Clerk** — **Date**