



Committee Report

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| To: | Warden Milne and Members of Grey County Council |
| Committee Date: | January 12, 2023 |
| Subject / Report No: | FR-CW-02-23 |
| Title: | 2022 Housing Write Off of Uncollectible Accounts |
| Prepared by: | Garrett Reed |
| Reviewed by: | Mary Lou Spicer, Director of Finance and Anne Marie Shaw, Director of Community Services |
| Lower Tier(s) Affected: | Not applicable |
| Status: | Recommendation adopted by Committee as presented per Resolution CW-13-23; Endorsed by County Council January 26, 2023, per Resolution CC11-23. |

Recommendation

1. That report FR-CW-02-23 regarding 2022 Housing Write Off of Uncollectible Accounts be received; and
2. That the recommended write offs in the amount of \$86,465 as outlined in the report be approved.

Executive Summary

Balances owing from former tenants with no repayment activity are written off at year-end for accounting purposes and staff continue to work on collections. Staff recommends that \$86,465 in arrears be written off compared to the budgeted amount of \$75,000.

Background and Discussion

Staff in the Housing department review accounts receivable balances monthly and attempt to work with residents when arrears exist in order to minimize the potential for write offs. The Housing accounts receivable balances that staff recommends be written off relate to former housing tenants with no repayment activity since July 1st, 2022. Although the amounts are written off for accounting purposes, attempts continue to be made to collect the receivables.

Previous tenants with balances owing are not eligible for subsidized housing with Grey County or other housing providers in the province until such time as payment is made or a repayment schedule is in place.

A total of \$86,465 meets the criteria outlined above as compared to the budgeted amount of \$75,000. The write off is comprised mostly of rental arrears and maintenance charges with small amounts for utility charges. This total write-off amount is 2.04% of the budgeted rental revenue of \$4,231,200. The following chart provides comparative information for the proposed 2022 write off and the previous five years.

Summary of Housing Accounts Receivable Write Off and Bad Debt Recovery

| Year | Amount of Write Off | Number of Accounts Written Off | Amount of Bad Debt Recovery (2022 as of September 30) |
|------|---------------------|--------------------------------|---|
| 2022 | \$86,465 | 29 | \$10,113 |
| 2021 | \$28,265 | 21 | \$1,570 |
| 2020 | \$42,933 | 24 | \$5,746 |
| 2019 | \$50,074 | 21 | \$3,263 |
| 2018 | \$21,471 | 19 | \$8,133 |
| 2017 | \$63,137 | 38 | \$2,694 |
| 2016 | \$40,900 | 30 | \$2,829 |

Process for Collecting Arrears

There are a number of steps used to collect arrears from tenants. Tenants are notified of their arrears in writing with a timeline for payment. If a tenant is unable to pay all of the arrears, a payment plan is set up. If the tenant does not respond to notices or fails to make payment through the payment plan staff will apply to the Landlord Tenant Board for a formal payment plan to be set in place. If the tenant continues to fail to make payment through the formalized payment plan staff will file to end the tenancy. Staff make every effort to ensure a tenant has multiple opportunities to pay their rent.

Unfortunately, the Landlord Tenant Board is behind in tribunals, staff are waiting up to 8 months for a date to enter into a formalized plan and then longer to end a tenancy if required. This has increased the amount of arrears left owing at the end of tenancies in 2022.

Legal and Legislated Requirements

None

Financial and Resource Implications

The uncollectible amount eligible for write off totals \$86,465 as compared to the budgeted amount of \$75,000.

Relevant Consultation

- Internal – Anne Marie Shaw, Director of Community Services
- External (list)

Appendices and Attachments

None