

To: Mayor and Members of Council

October 3, 2011

Re: Small Claims – Karen Fitzhenry

### **Background**

On July 3, 2010 the Community Centre was rented by Karen Kowal/Fitzhenry for a wedding reception. The reception proceeded as planned and Karen gave the Town a cheque for the hall rental. The cheque, however, was returned as NSF.

At the November 22, 2011 Council passed a motion to contract Falcon Collection and Investigations for the collection of delinquent accounts for the Town of White City.

The account was forwarded to Falcon Collections in January 2011. Numerous attempts have been made by the collection agent, however, he has been unsuccessful at collecting the amount owing.

The only option left is to pursue collection through small claims court. The Statutes of limitations is 2 years which means after 2 years, the Town will not be able to make a claim for this account. It takes approximately 4 – 6 months to get a court date.

### **Discussion**

The last option to the Town for collection on this account is to take the case to small claims court. Falcon Collections will proceed with legal action if requested by the Town. Falcon will sue for the original amount of the account plus the legal fees and interest till the court date.

### **Budget Implications**

Small Claims Legal Action Retainer is \$460 plus GST & PST. This cost is recoverable.

### **Conclusion**

The purpose of this report is to request Council approval to proceed with small claims on the Karen Kowal/Fitzhenry outstanding account. The Town will have to spend an additional \$506, however, that amount is fully recoverable and is **not** subject to the 30% collection fee.

## Recommendation

Administration recommends that Council pass the following motion:

“THAT Falcon Collection and Investigations be requested to proceed with legal action against Karen Kowal-Fitzhenry, for the outstanding amount for the rental of the Community Centre on July 3, 2010.

Respectfully submitted,



Shauna Bzdel,  
Town Manager