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Date: March 18, 2018
To: Mayor and Council
Author: G.A. Plancke / Director of Municipal Services
RE: Forfeiture of Unclaimed Indemnity Deposits
Report No.: MS 2018 - 06

AIM

To provide Council with information regarding the forfeiture of unclaimed indemnity deposits.

BACKGROUND

In accordance with the Town's current fees and charges by-law, an indemnity deposit is held in the amount of \$1,000 by the building department in order to indemnify the Town from damages caused by the active construction work. Indemnity deposits are held to ensure that damages to municipal infrastructure in the Town right-of-way such as sidewalks, driveways, water valves, sewer cleanouts, road surface and landscaping are remedied before claiming the indemnity deposit. Indemnity deposits are often held against a property owner, but can also be held against the contractor for works such as, but not limited to, the following:

- New home construction
- Renovations to existing structures
- Additions to existing structures
- Installation of a pool

DISCUSSION

Administration is proposing that in accordance with clause 11, the Town forfeit all unclaimed indemnity deposits that have remained unclaimed for a period of 7 years or greater. Therefore, transferring all unclaimed deposits from 2010 and older to the Town's reserve funds. In addition, the same process will occur yearly, as displayed in the financial consideration section of this report.

11. *Where an Expense Deposit, an Indemnity Deposit and/or a Security Deposit has been paid to the Town and remains unclaimed for a period of seven years, the Treasurer of the Town may transfer to the general funds of the Town, any such Expense Deposit, Indemnity Deposit and/or Security Deposit against which no claim has been made, free of and from any and all claims whatsoever.*

The Municipal Services Department has drafted a Standard Operating Procedure (SOP) and revised by-law 53-2008 to include the method of notifying the public of the forfeiture taking place.

Revision to By-Law 53-2008

The existing by-law has been amended and is included as Appendix A of this report. Changes to the by-law include:

Section 2 includes definitions of both the terms, deposits as they pertain to this by-law.

Section 5.iv (b) includes revised media type and the associated timeline for forfeiture of unclaimed deposits. The proposed forfeiture of deposits is to be posted once in the local newspaper six (6) months prior to the forfeit deadline. A template advertisement is included as part of the attached SOP.

LINK TO STRATEGIC PLAN

Effectively manage corporate resources and maximize performance in day-to-day operations.

FINANCIAL CONSIDERATIONS

Administration is proposing the forfeiture of the following funds each calendar year per the process outlined in the attached SOP:

Calendar Year	Forfeiture Period	Value of Unclaimed Indemnity Deposits
2018	2010 and older	\$123,200
2019	2011	\$ 21,000
2020	2012	\$ 29,500
2021	2013	\$ 48,500

Administration is proposing that these funds be transferred to the Public Works Capital Reserve fund (Account No. 03-000-032-39068).

CONSULTATIONS

Municipal Services
Financial Services
Corporate Services

RECOMMENDATION

That Council:

1. Approve the proposed changes to Schedule A of the existing Notification Policy By-Law 53-2008, and direct Administration to draft the necessary by-law amendment.
2. Approve Administration to forfeit all unclaimed indemnity deposits prior to 2010 and again every successive year in accordance with the current Fee and Charges By-Law and the amended Notification Policy By-Law.

Respectfully Submitted,

G.A. Plancke

G.A. Plancke, Civil Eng. Tech (Env.)
Director of Municipal Services

Peggy Van Mierlo-West

Peggy Van Mierlo-West, C.E.T.
Chief Administrative Officer