

Report to Council

Report Title: 2018 Tax Arrears
Prepared By: Trish Serratore, Chief Financial Officer
Department: Finance
Date: February 12, 2019
Report Number: FIN2019-04 **File Number:** C11FIN

Attachments:

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2019-04 – 2018 Tax Arrears, prepared by Trish Serratore, Chief Financial Officer for information purposes.

Report:

Background:

In 2018 the Municipality of Brockton levied \$7,983,667 in municipal taxes, this was an increase of 5.73% over the 2017 levy, and this resulted in an annual increase to the average household of \$145.00.

Analysis:

This report is to provide Council with additional information on the Property Tax Arrears for the year ending December 31, 2018. Each year the municipality reports their financial position to the Province, below is a chart that illustrates the Provincial standards on Tax Arrears:

Potential Level of Challenge		
Low	Moderate	High
Less than 10%	10 to 15%	More than 15%

At the end of 2018, the overall outstanding tax arrears were \$640,721 (excluding accumulated interest). However, the total uncollected for 2018 taxes equals \$427,046 which equals a total of 5.3% of the 2018 Municipal Tax Levy.

In September 2018 staff commenced the Tax Registration process on 9 properties that were 2 or more years in arrears and had not responded to our attempts to contact them via mail and telephone. As of January 2019, 4 of those properties have made monthly payment arrangements, 2 have been paid in full, and 3 have had a tax

certificate registered on title with tax sale procedures moving forward in the fall of 2019 if the account balance has not been paid.

Staff will be reviewing and sending out final notices to any property that is eligible for tax registration in 2019 before the end of March 2019.

Listed below are a few of the various tools that are utilized by staff throughout the year to collect tax arrears:

- Send tax arrears notices (monthly)
- Make calls to those who are within the two - three year arrears time frame
- Make payment arrangements to accommodate paying current year taxes, as well as any arrears balance

With the Municipality of Brockton having 5.3% outstanding Tax Arrears at year-end, we are below the Provincial low-risk average of < 10%. Therefore, this low average indicates that residents are able to pay their taxes, the Municipality has adequate tax collection procedures and low risk to cash flow issues.

Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- | | |
|---|-----|
| • Do the recommendations help move the Municipality closer to its Vision? | N/A |
| • Do the recommendations contribute to achieving Cultural Vibrancy? | N/A |
| • Do the recommendations contribute to achieving Economic Prosperity? | N/A |
| • Do the recommendations contribute to Environmental Integrity? | N/A |
| • Do the recommendations contribute to the Social Equity? | N/A |

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

N/A

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:



Chief Administrative Officer