

Report to Council

Report Title: 2019 Tax Arrears

Prepared By: Trish Serratore, Chief Financial Officer

Department: Finance

Date: May 26, 2020

Report Number: FIN2020-20 **File Number:** C11FIN

Attachments:

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2020-20 - 2019 Tax Arrears, prepared by Trish Serratore, Chief Financial Officer for information purposes.

Report:

Background:

In 2019 the Municipality of Brockton levied \$8,821,083 in municipal taxes, this was an increase of 11.01% over the 2018 levy, and this resulted in an annual increase to the average household of \$100.90.

Analysis:

This report is to provide Council with additional information on the Property Tax Arrears for the year ending December 31, 2019. 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 2019, the overall outstanding tax arrears were \$606,237 (excluding accumulated interest). However, the total uncollected for 2019 taxes equals \$382,549 which equals a total of 4.33% of the 2019 Municipal Tax Levy. The total outstanding taxes at the end of 2019 dropped compared to prior year. The chart below will illustrate the changes from 2018 – 2019:

Year	Total Outstanding Taxes	Total Current Outstanding Taxes	Total Percent of Current Taxes Outstanding
2018	\$640,721	\$427,046	5.3%
2019	\$606,237	\$382,545	4.33%

Due to COVID-19, no new properties have been registered for tax sale. Staff will be reviewing and sending out final notices to any property that is eligible for tax registration once it is appropriate to do so.

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 4.33% 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

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:



Sonya Watson, Chief Administrative Officer