

## Report to Council

**Report Title:** 2020 Tax Arrears

**Prepared By:** Trish Serratore, Chief Financial Officer

**Department:** Finance

**Date:** March 9, 2021

**Report Number:** FIN2021-09 **File Number:** C11FIN

### Attachments:

### Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2021-09 – 2020 Tax Arrears, prepared by Trish Serratore, Chief Financial Officer for information purposes.

### Report:

#### Background:

In 2020 the Municipality of Brockton levied \$9,683,265 in municipal taxes, this was an increase of 9.77% over the 2019 levy, and this resulted in an annual increase to the average household of \$170.65.

#### Analysis:

This report is to provide Council with additional information on the Property Tax Arrears for the year ending December 31, 2020. 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 2020, the overall outstanding tax arrears were \$509,276.24 (excluding accumulated interest). However, the total uncollected for 2020 taxes equals \$373,300.82 which equals a total of 3.86% of the 2020 Municipal Tax Levy. While 2020 was a difficult year due to the COVID-19 pandemic, the total outstanding taxes at the end of 2020 dropped compared to prior years. The chart below will illustrate the changes from 2016 – 2020:

Year	Total Outstanding Taxes	Total Current Outstanding Taxes	Total Percent of Current Taxes Outstanding
2016	\$728,845	\$510,116	6.76%
2017	\$586,012	\$400,531	5.0%
2018	\$640,721	\$427,046	5.3%
2019	\$606,237	\$382,545	4.33%
2020	\$509,276	\$373,300	3.86%

Due to Covid-19, staff did not commence any new properties for the Tax Sale Process. Staff continue to work with residents to ensure their account remains in good standing.

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 3.86% 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

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### **Respectfully Submitted by:**



Trish Serratore, Chief Financial Officer

**Reviewed By:**

A handwritten signature in black ink, appearing to read "Sonya Watson", with a long, sweeping horizontal line extending to the right.

**Sonya Watson, Chief Administrative Officer**