

## **Municipality of Chatham-Kent**

### **Finance, Budget & Information Technology Services**

#### **Financial Services**

**To:** Mayor and Members of Council

**From:** Matt Torrance, MBA, CPA, CGA  
Director, Financial Services

**Date:** May 5, 2020

**Subject:** Tax Sale Write Offs – Remainder of 2019 and February 19, 2020 Tenders

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#### **Recommendations**

It is recommended that:

1. Taxes totaling \$54,740.66 as shown for the properties on Appendix A be approved for a write off as uncollectible due to failed tax sales on September 5, 2019, November 20, 2019 and February 19, 2020 and that \$317.34 be charged to the School Boards as its share of the bad debt.
2. Administration be authorized to vest the properties listed on Appendix A legally into the name of the Corporation of the Municipality of Chatham-Kent.
3. Property 1 and Property 3 on Appendix A be declared as surplus to municipal needs, placed on the Chatham-Kent web surplus registry, and be offered for sale in accordance with municipal policy as described in By-Law 39-2019.

#### **Background**

Public tax sale tenders were held on September 5, 2019, November 20, 2019 and February 19, 2020.

Each tender offered a number of properties for sale to the public as a result of unpaid property taxes. Beginning with the September tax sale, 14 properties were offered for sale. Two properties were redeemed by the owner in advance of the sale. Two properties were cancelled to address technicalities with the property descriptions. Five properties were sold, and five properties did not receive any bids.

On November 20, 2019, 12 properties were offered for sale to the public as a result of unpaid property taxes. The two properties cancelled to address technicalities in September were offered at this sale, one of them sold successfully. Of the remaining ten properties, three were redeemed, three others received bids of which two successfully sold and the third deposit was forfeited. Four properties from this sale did not receive any bids.

On February 19, 2020, four properties were offered for sale to the public as a result of unpaid property taxes. All four of these properties had been offered for sale at either the

September 5, 2019 or November 20, 2019 tax sale. Three of the four properties received bids, two of the three properties have sold and one is still waiting for the transaction to close. The fourth property did not receive any bids.

All surplus funds have been deposited with the Accountant of the Superior Court and all interested parties have been notified of the surplus.

It is being recommended that a vesting deed be registered on title at the Land Registry Office for the properties shown on Appendix A, to officially put these properties into the name of the Municipality of Chatham-Kent. Once properties 1 and 3 on Appendix A have vested and been declared as surplus, the Financial Services division will dispose of said properties in accordance with the municipal policy set forth in By-Law 39-2019.

The four remaining unsold properties that resulted in failed tax sales are not being recommended for vesting at this time, however, administration is reaching out to the provincial and federal governments to determine a path forward on these properties to return them to productive use for the tax base.

### **Comments**

Vested properties are managed by the Property Management division of Financial Services. Typically, properties are considered first for municipal purposes, and if not required, are sold by tender, agency agreement, or whatever means the Property Management division considers appropriate.

The properties being recommended for vesting will be presented to Habitat for Humanity for consideration of a potential future build site. Discussions with the organization have indicated that ideal build sites are within an urban boundary where families can easily access services for daily living requirements.

### **Areas of Strategic Focus and Critical Success Factors**

The recommendations in this report support the following areas of strategic focus:

- Economic Prosperity:  
Chatham-Kent is an innovative and thriving community with a diversified economy
- A Healthy and Safe Community:  
Chatham-Kent is a healthy and safe community with sustainable population growth
- People and Culture:  
Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community
- Environmental Sustainability:  
Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

- Financial Sustainability:  
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- Open, Transparent and Effective Governance:  
The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership
- Has the potential to support all areas of strategic focus & critical success factors
- Neutral issues (does not support negatively or positively)

### **Consultation**

Legal Services will assist with the registration of the vesting deed into the name of the Corporation of the Municipality of Chatham-Kent.

The Technical Advisory Committee has completed its review of the parcel being recommended for vesting and determined that the municipality has no use for this property.

### **Financial Implications**

The tax loss, net of School Board recoveries, is charged to a provision established for doubtful tax accounts and uncollectible taxes. Revenue realized from the use or future sale of vested properties which have not been retained for municipal purposes will accrue to the Property Management budget and shared back with the School Boards as legislatively required.

Prepared by:

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Chief Financial Officer, Treasurer

Attachments: Appendix A – Tax Sale Write Offs

C: Chief Legal Officer

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Appendix A  
Remainder of 2019 and February 19, 2020 Tax Sale Write Offs

| Property               | Roll Number        | Municipal Address | Assessment Class | Total Education Write Off | Total Municipal Write Off | Total Tax Write Off to Tax Sale | Total Interest Write Off | Total Tax Sale Costs | Total Other Write Off | Grand Total Write Off |
|------------------------|--------------------|-------------------|------------------|---------------------------|---------------------------|---------------------------------|--------------------------|----------------------|-----------------------|-----------------------|
| 1                      | 3650-080-001-61950 | Queen St N        | RT               | 15.91                     | 152.71                    | 168.62                          | 70.52                    | 5462.00              | 190.00                | 5891.14               |
| 2                      | 3650-240-002-49622 | Kyle Dr           | RT               | 65.22                     | 532.89                    | 598.11                          | 301.45                   | 10924.00             | 16.00                 | 11839.56              |
| 3                      | 3650-420-002-03100 | 162 Colborne St   | RT               | 197.04                    | 1888.76                   | 2085.80                         | 8498.49                  | 5462.00              | 14592.50              | 30638.79              |
| 4                      | 3650-420-043-01501 | Briardene St      | RT               | 39.17                     | 332.53                    | 371.70                          | 265.47                   | 5462.00              | 272.00                | 6371.17               |
| <b>Total Write Off</b> |                    |                   |                  | <b>317.34</b>             | <b>2,906.89</b>           | <b>3,224.23</b>                 | <b>9,135.93</b>          | <b>27,310.00</b>     | <b>15,070.50</b>      | <b>54,740.66</b>      |