

Municipality of Chatham-Kent

Finance, Budget & Information Technology Services

Financial Services

To: Mayor and Members of Council

From: Steven Brown, CPA, CMA
Director, Financial Services

Date: July 3, 2018

Subject: Tax Sale Write Offs – June 12, 2018 Tender

Recommendations

It is recommended that:

1. Taxes totaling \$34,125.37 as shown for the properties on Appendix A be approved for a write off as uncollectible due to a failed tax sale on June 12, 2018, and that \$466.78 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 into the name of the Corporation of the Municipality of Chatham-Kent.
3. Properties 2 and 3 as shown 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 84-2017.

Background

A public tax sale tender was held on June 12, 2018 with a total of fourteen parcels being advertised for sale. Prior to the closing of the tender, five parcels were redeemed by the owners and one was cancelled, therefore these six were not offered for sale.

Five parcels were sold through the tender process resulting in a surplus of funds for five parcels. The surplus funds have been deposited with the Accountant of the Superior Court and all interested parties have been notified of the surplus. Should no claims be made within one year, administration will make application on behalf of the Municipality of Chatham-Kent to redeem these funds. Prior to legislation changes that came into effect on January 1, 2018, municipalities were permitted to make application for unclaimed surplus funds as per Section 380 (4). The transition clause of Section 388 (2) of the Act allows for application of surplus funds in this matter as the tax certificate was registered against the property prior to December 31, 2017.

Three parcels, as shown on Appendix A, did not receive bids and therefore it is being recommended that a vesting deed be registered on title at the Land Registry Office for these parcels to officially put these properties into the name of the Municipality of

Chatham-Kent. The roll numbers involved for these properties are vacant lots. Property 1 is a remnant parcel along Port Road in Tilbury, and will remain under the ownership of the Municipality for Engineering and Infrastructure purposes. Properties 2 and 3 are located in the community of Shrewsbury, and once vested and declared as surplus, will be disposed of in accordance with the municipal policy as described in By-Law 84-2017.

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 parcels being recommended for vesting have not been presented to Habitat for Humanity for consideration of potential future build sites. 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 vesting deeds into the name of the Corporation of the Municipality of Chatham-Kent.

The Technical Advisory Committee has completed its review of the parcels being recommended for vesting and determined the best purpose for all sites. Those that have no need for municipal purposes will be dealt with as recommended in this report.

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:

Amy McLellan, CPA, CGA
Manager, Revenue

Reviewed by:

Reviewed by:

Steve Brown, CPA, CMA
Director, Financial Services

Mike Turner, CPA, CMA
Chief Financial Officer, Treasurer

Attachments: Appendix A – Tax Sale Write Offs

C: Chief Legal Officer

P:\RTC\F&PS\Finance\2018\RTC034 - Tax Sale Write Offs – June 12, 2018
Tender.docx

APPENDIX "A"
JUNE 12th, 2018 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	3650-060-004-01902	Port Rd	RT	228.64	1,708.33	1,936.97	388.26	5,462.00	20.00	7,807.23
2	3650-140-006-43800	Victoria St	RT	78.64	791.29	869.93	274.00	5,462.00	172.00	6,777.93
3	3650-140-006-66800	85 Adelaide St	RT	159.50	1,451.86	1,611.36	5,128.24	5,677.00	7,123.61	19,540.21
TOTAL WRITE OFF				466.78	3,951.48	4,418.26	5,790.50	16,601.00	7,315.61	34,125.37