

INFORMATION ITEMS

Week Ending August 21, 2015

REPORTS

1. Outstanding Property Tax Receivables and Collections Interim 2015

CORRESPONDENCE

1. None

BOARDS & COMMITTEES

1. None

ITEMS AVAILABLE IN THE CLERK'S OFFICE

1. None

INFORMATION REPORT



TO Council

SERVICE AREA Corporate Services, Finance

DATE August 21, 2015

REPORT TITLE Outstanding Property Tax Receivables and Collections Interim 2015

REPORT NUMBER CS-2015-67

EXECUTIVE SUMMARY

SUMMARY OF REPORT

To provide an analysis of the tax collection and arrears experiences of the City of Guelph as at June 30, 2015.

KEY FINDINGS

As at June 30, 2015, our collection experiences have remained consistent with previous years. Taxes receivable as a percentage of taxes levied is similar to the previous 5 year averages; however, more long term debt is being collected.

Enhanced payment options, updated collection procedures and effective communications have contributed to the reduction in long term tax arrears and have also led to stability in collection trends.

FINANCIAL IMPLICATIONS

Tax arrears are an important indicator of a municipality's financial position and are considered by Standard and Poor's in arriving at a credit rating. Guelph's arrears continue to be favourable to the City's credit rating.

BACKGROUND

This report contains an analysis of taxes receivable as of June 30, 2015.

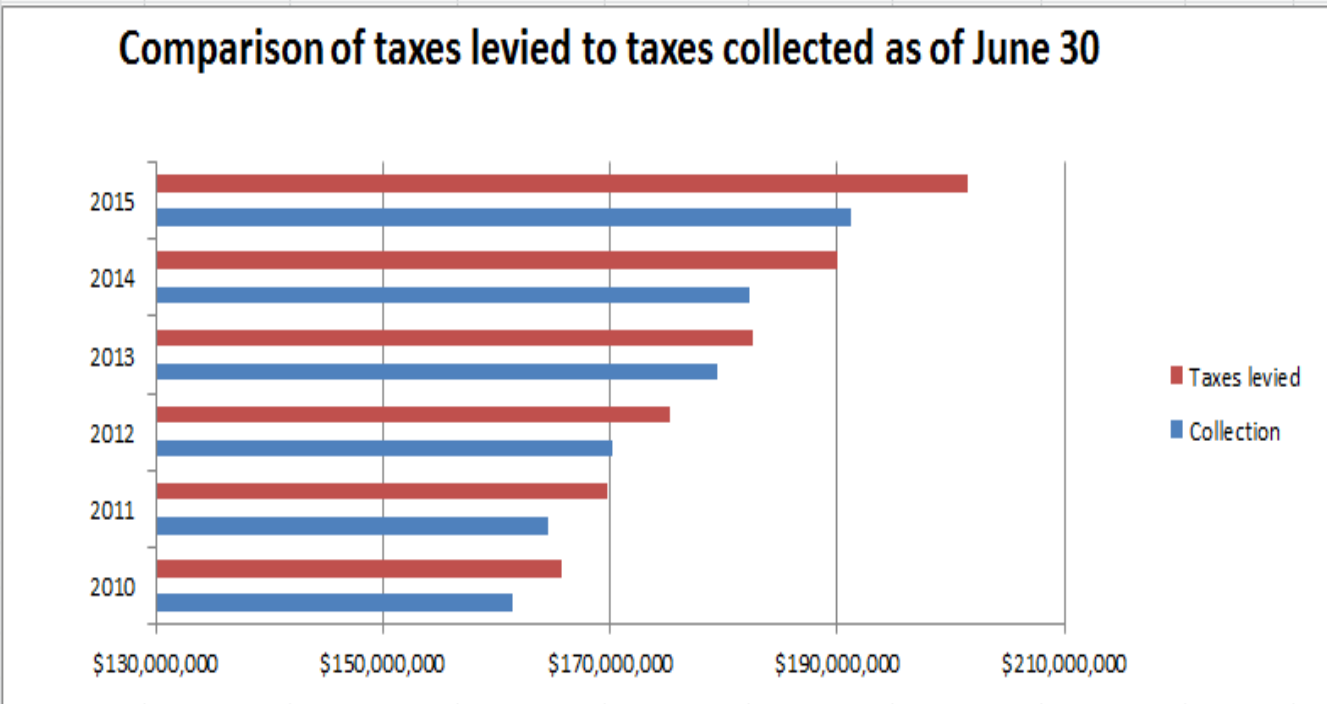
This analysis reflects the collection statistics for the current and prior five years. This analysis may be used as a guide in assessing the financial health of the City and is an indicator of the willingness and ability of taxpayers to meet their property tax responsibilities. The level of tax arrears is also an important indicator of liquidity to credit rating agencies.

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REPORT

Below is a summary of taxes receivable as at June 30 for the past five years. The schedule reflects collections from the first three of the four instalments due in 2015. The taxes levied, and the amounts of taxes collected are displayed.



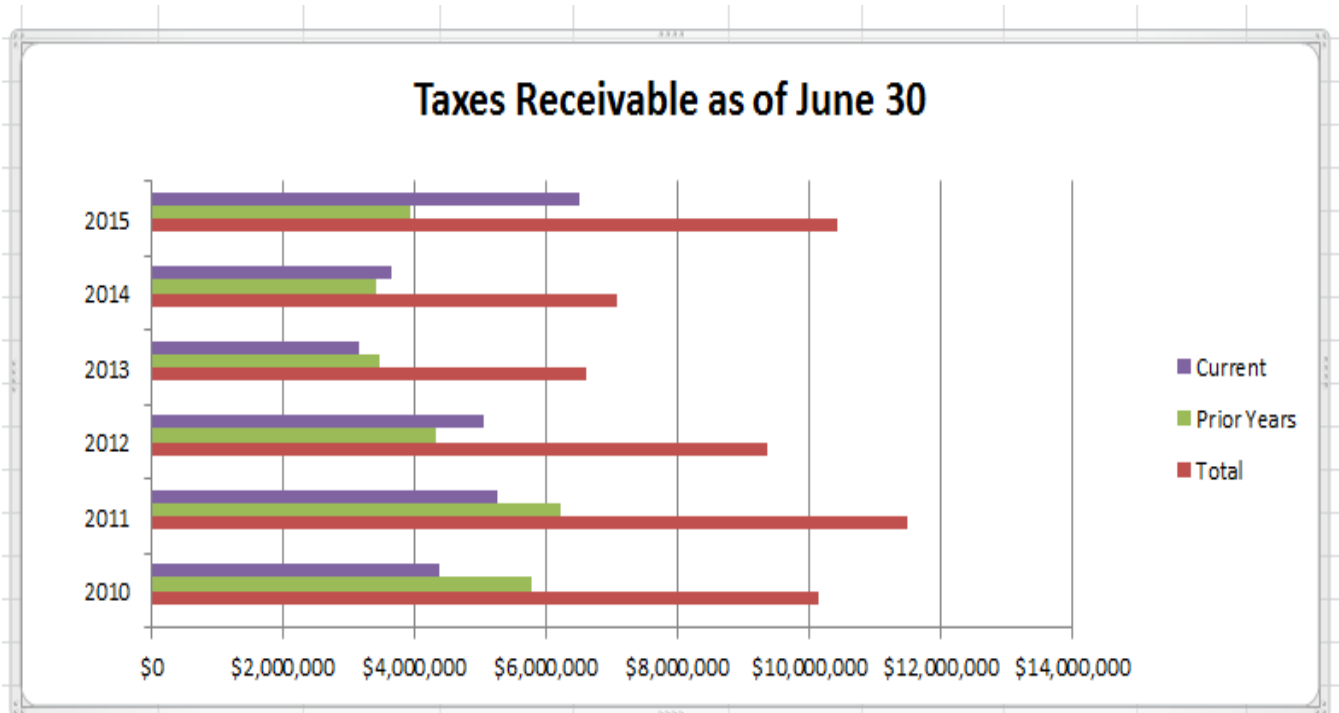
Year	2010	2011	2012	2013	2014	2015
Collection	\$161,333,765	\$164,542,695	\$170,263,949	\$179,462,350	\$182,229,879	\$191,215,717
Taxes levied	\$165,718,066	\$169,805,542	\$175,306,276	\$182,606,523	\$190,033,143	\$201,532,505

Taxes levied to date (including assessment growth and education taxes) increased from \$190,033,143 to \$201,532,505 reflecting an increase of \$11,499,362 over the 2014 tax year. However, new for 2015 is the inclusion into our billing systems of Payment in Lieu (PIL) properties. PIL taxes total \$3,046,457 for 2015 with only \$560,600 of the total PIL taxes collected prior to July 1. The increase in the taxes levied if adjusted for the PIL properties is \$8,452,905.

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In 2015 4658 properties were in arrears and notices were sent out following the June 30 due date. In comparison 4,442 properties were in arrears during this same time frame in 2014. The taxes receivable (past due) have increased from \$7,076,719 to \$10,430,715. The inclusion of the PIL taxes for the 2015 tax year is reflected in the 2015 total and accounts for \$2,485,857 of the past due amount. If consideration is given by removing the PIL properties from the 2015 total the taxes receivable (past due) would be \$7,944,858.

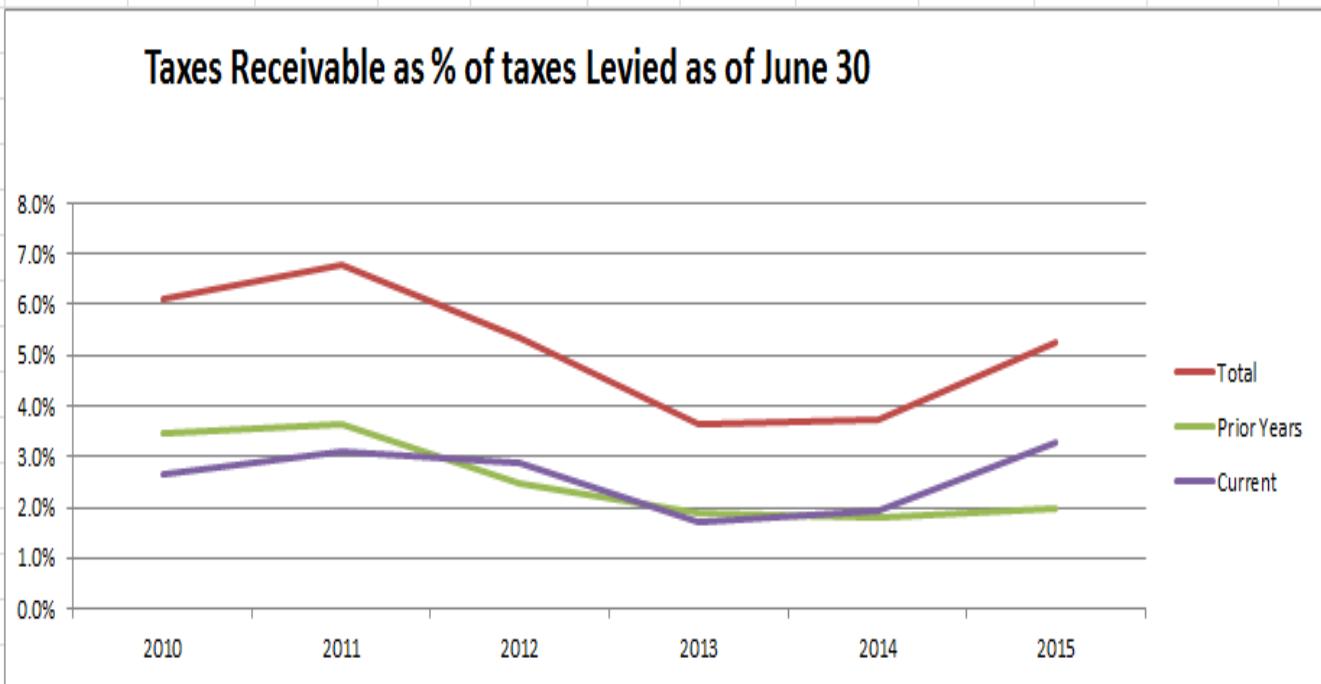


Year	2010	2011	2012	2013	2014	2015
Total	\$10,151,924	\$11,480,802	\$9,364,278	\$6,621,203	\$7,076,719	\$10,430,715
Prior Years	\$5,767,624	\$6,217,955	\$4,321,951	\$3,477,029	\$3,415,960	\$3,937,689
Current	\$4,384,300	\$5,262,847	\$5,042,327	\$3,144,173	\$3,660,758	\$6,493,027

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The dollar amount associated with annual taxation continues to increase, reflecting a growing City. A comparison based on percentages has also been completed insuring that the overall performance can be monitored on this basis. As reflected in the following graph, efforts in the collection of tax arrears and the current economic state are producing relatively stable percentages in this regard.



Year	2010	2011	2012	2013	2014	5 yr Average	2015
Current	2.6%	3.1%	2.9%	1.7%	1.9%	2.5%	3.3%
Prior Years	3.5%	3.7%	2.5%	1.9%	1.8%	2.7%	2.0%
Total	6.1%	6.8%	5.3%	3.6%	3.7%	5.1%	5.3%

The City as of June 30 has 52 properties in the tax registration process. These properties will have one year from date of registration to pay all taxes and associated costs before the property will be sold.

Staff will continue to enforce collection procedures in an effort to reduce arrears over the balance of the year. Staff are continuing the practice of working with individuals and offering suitable payment arrangements to ensure payment in full by year end. Close attention will be made to these accounts throughout the balance of the year to be aware of any trends that may occur. Arrears notice will continue to be mailed on a monthly basis and follow-up by telephone and letters will continue.

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RECOMMENDATION

That Report CS-2015-67 Outstanding Property Tax Receivables and Collections Interim 2015 be received for information.

AND That going forward, reporting on Outstanding Tax Receivables and Collections will be done on an annual basis, after year end, to provide meaningful, consistent, complete and transparent data.

CORPORATE STRATEGIC PLAN

Innovation in Local Government

2.2 Deliver public services better

2.3 Ensure accountability, transparency and engagement

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