



Township of

# North Dundas

## COUNCIL REPORT

<b>To:</b>	CAO, Mayor and Members of Council
<b>From:</b>	John J Gareau, CA, AMCT, Treasurer
<b>Date of Meeting:</b>	March 13 <sup>th</sup> 2012
<b>Subject:</b>	Finance Department Report – February 29 <sup>th</sup> 2012

### Bank Balances:

Bank Balances, Feb 28 <sup>th</sup>	2012 Feb 28 <sup>th</sup>	Last Month Jan 31 <sup>st</sup>	2011 Feb 28 <sup>th</sup>
General Operating Acct	5,507,656.93	5,509,395.59	3,374,421.48
Cash, GIC's, (Reserve Fund)	6,091,353.07	6,083,023.08	6,070,099.74
<b>Total</b>	<b>\$11,599,010.00</b>	<b>\$11,592,418.67</b>	<b>\$9,444,521.22</b>

Taxes Receivable – Feb 28 <sup>th</sup>	2012	2011	2010
Current Year (2012)	6,603,046.22	6,757,108.05	6,400,118.00
One Year in Arrears (2011)	876,597.45	765,683.88	771,527.51
Two Years in Arrears (2010)	400,363.27	361,671.91	303,114.09
Three Years in Arrears (2009+)	164,882.48	155,305.37	136,819.18
Penalty & Interest	110,737.71	107,929.20	97,926.46
<b>Sub-Total</b>	<b>8,155,627.13</b>	<b>8,147,698.41</b>	<b>7,709,505.24</b>
Allowance for Uncollectible Taxes	(14,812.76)	(14,812.76)	(14,812.76)
<b>Net Taxes Receivable</b>	<b><u>\$8,140,814.37</u></b>	<b><u>\$8,132,885.65</u></b>	<b><u>7,694,692.48</u></b>
Net Taxes Receivable Excluding Current Year	<b><u>\$1,537,768.15</u></b>	<b><u>\$1,375,777.60</u></b>	<b><u>\$1,294,574.48</u></b>

Total Taxes Billed to Date: \$15,634,795.15 \$14,514,604.92 \$13,988,126.24

<b>Percentage Outstanding</b>	<b>9.836%</b>	<b>9.478%</b>	<b>9.255%</b>
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Net taxes receivable last month were \$1,651,867.70; this month's balance of \$8,140,814.37 represents an increase over last month in the amount of \$6,488,946.67. This is due solely to the fact that we put out our interim tax bills in the last week of February – with a due date of March 30<sup>th</sup>.

**State of the Union**

Our cash position is decent. We are still paying our bills with our own money; We made the final 'regular' payments to the counties and school boards in mid-December, leaving only the "final" final payment that gives effect to the counties and school boards share of any supplemental billings to which they may be entitled less their appropriate share of any tax write-offs for the 2011 fiscal year.

I had been hoping to provide council with a schedule of the final amounts owing to the counties and school boards at this meeting, but I did not have time to complete this work. I did complete the checking of the supplemental billings and write-offs for the year during the past couple of weeks and have sent a reconciliation schedule off to Vanessa at the Counties indicating our final balance owing to them (\$170,867.82) but was not able to get this task completed for the school boards or for our own municipal purposes due to time constraints re budgeting and year end working paper preparation.

I am hoping to complete this task by the end of March so that we may get the final cheques out to the counties and school boards by the first week of April. These levying bodies are looking for the annual reconciliation of tax revenues plus supplementals less write-offs and of course, for their final payment.

**Interim Taxes**

It was a combined, concerted effort as staff from all departments pitched in with the stuffing, sorting and mailing of tax bills (thank you to everyone!!) and we managed to get the interim tax bills out on Friday, February 17<sup>th</sup>. We selected the due date of March 30<sup>th</sup>. This is pretty much the same time frame as last year and dovetails in very nicely with our first quarter instalments due to the counties and school boards on behalf of the 2012 year.

We had planned to use 50% of last year's tax rate multiplied by the 2012 assessment figures – this too is consistent with the method we used last year – but we felt with the bump in assessment, this might be too large an increase over the previous year, so we backed off to 46% of last year's rate. I think we may have undershot our mark slightly - you will notice the outstanding taxes for 2012 are less than their counterpart for 2011. In 2009 we billed at 40% of the previous year's tax rate to offset the increase in assessment as well –so we thought this was prudent. No doubt some taxpayers would have preferred us using the 2011 assessment figures but we believe it is better for the taxpayers if they can see their current year assessed figures right away as opposed to finding out in June when we issue the final tax bills; this way they will be alerted sooner and if they have concerns, these concerns can be addressed in a timely manner.

Technically, we should bill 50% of last year's tax dollars but we encountered untold difficulties at the interim and especially at the year end when we did this in the past, so we have decided not to go that way again this year.

• Amounts billed:	<b>This Year 2012</b>	<b>Last Year 2011</b>	<b>Two Years 2010</b>	<b>Three Years 2009</b>
Uncapped classes				
Residential/Farm -	\$5,916,275.18	\$5,711,034.67	\$5,546,117.09	\$4,577,064.28
Capped classes –				
Commercial/Industrial -	<u>1,361,883.59</u>	<u>1,425,448.27</u>	<u>1,395,392.57</u>	<u>1,105,410.66</u>
<b>Totals</b>	<b><u>\$7,278,158.77</u></b>	<b><u>\$7,136,482.94</u></b>	<b><u>\$6,941,509.66</u></b>	<b><u>\$5,682,474.94</u></b>

- The total amount of tax bills issued was \$7,278,158.77 as per the above breakdown and we will need these funds by the end of March in order to pay the counties and School Boards their first installment (due March 31<sup>st</sup>) and to provide working funds for our needs.

Other projects taken up during the month consisted of:

- Statement of Councillors' Remuneration as required under Section 284 (1) of the Municipal Act
- Calculation of first instalment due to School Boards on March 31<sup>st</sup>
- Preparing for and attendance at department head meeting of March 7<sup>th</sup>
- Assisting with preparation and mailing of interim taxes, including balancing of Assessment Roll in Vadim to Assessment roll provided by MPAC
- Meeting with Department Heads with regards to capital expenditures and their financing from reserves re: preparation of the 2011 year-end audit file
- Working with our new co-op student on the capital binder for y/end and PSAB purposes
- Responding to tax queries from ratepayers in absence of tax clerk
- Assisting PW department with filling out and filing Road Superintendent Grant
- Assisting and preparing for audit of Waste Diversion Organization

It is also a tax collection month and therefore there are more phone calls and sundry other matters to deal with than at other times of the year.

**Properties Eligible for Tax Sale as at February 29<sup>th</sup> 2012: Appendix # 1**

There has been no change in this schedule from last month – other than interest has been added on for the month of February.

Details are shown in Appendix # 1, but in summary this list is now at four ratepayers who owe a total of \$29,657.04 as at February 29<sup>th</sup> (this will be \$33,963.30 by March 31<sup>st</sup> due to the interim levy coming due); last month (January 31<sup>st</sup>) it was at \$29,028.14 – a net worsening \$628.90 over last month. This includes interest on the outstanding balances for the month of February as well as utility bills in arrears or any other items that may have been added on during the month.

**Properties Eligible for Tax Registration – Feb 29<sup>th</sup> 2012 – Appendix # 2**

This information is presented to council as follow-up. It is a continuation of the original listing of approximately 48 ratepayers with taxes 3 or more years in arrears and it is from this document that the current listing of Tax Registration Properties (depicted as Appendix # 1 above) was prepared. Its real purpose is just to show council where Appendix #1 came from and where we have come from and where we are in regards to this initial listing.

As at January 31<sup>st</sup> our tax registration listing for 2012 is at a dollar amount of **\$61,556.70** (\$214,923.15 overall) representing the original 48 roll numbers (last month, January 31<sup>st</sup> it was at a dollar amount of **\$66,972.40**, or \$218,381.53 in total). There was a total of \$13,752.82 received from this group in the month of February – about 50% of which came from ratepayer # 2 who paid off his entire outstanding balance – including the 2012 interim levy of \$710.63!!

• **Budget Considerations**

After amendments to the budget arising from the meetings of January 24<sup>th</sup> and February 7<sup>th</sup> – we were at a projected tax levy of \$ 5,041,662; during final review and analysis, I found a further savings of \$4,000 so we are now at a projected tax levy of \$5,037,662.

Total budgeted Expenditures	\$10,412,948
Less: Budgeted Revenues	<u>5,375,286</u>
Net Expenditures	\$ 5,037,662
Taxation Levy	<u>5,122,600</u>
Available for Additional Projects	<u>\$ 84,938</u>

Possible uses for the available revenues/cost reductions:

**Unfinanced Capital:**

Belmeade Rd	61,204
Boyne Rd	36,841
Storm Sewers – OSWAP Project	84,089
Recreation Projects	<u>125,395</u>
Existing balances in Unfinanced Capital Projects	\$307,529
Mountain Boundary Rd –additional expense	<u>40,000</u>
Potential Uses	<u>\$347,529</u>


One of the several scenarios/alternatives for council's consideration that came out of our managers' meeting on Wednesday was the following:

Mountain Boundary Rd – Additional expense	\$40,000
Unfinanced Capital	
Boyne Rd	36,841
Belmeade Rd (balance remaining)	<u>8,097</u>
Total Application of Funds	<u>\$84,938</u>

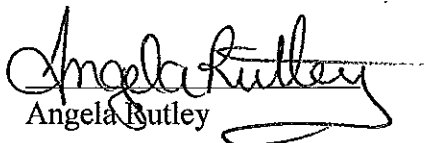
**Miscellaneous Finance Issues**

- Investment Basics and Beyond – Smiths Falls, April 24<sup>th</sup> 2012
- Charity Rebates for:
  - Champlain Community Care access Centre, \$1,865.38
  - T. R. Leger Education Centre, \$2,948.40
- Summer Student for Finance dept – ad placed with Carleton University, in our Recreation Guide, sent to Admin to be put on our website and with Job-Zone in Cornwall.

Respectfully submitted,

  
John V. Gareau

Approved by:

  
Angela Butley

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