



## Request for Decision

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| <b>Title</b>                         | <b>2018 Property Tax Write-off</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Proposed Motion</b>               | That Council authorize the write-off of taxes owing in the amount of \$39,719.87, as per the presented tax roll list, as these accounts are no longer collectible.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Administrative Recommendation</b> | That Council, as led by the <i>Municipal Government Act</i> , R.S.A 2000 c. M-26 Section 347(1), ensures Sturgeon County Financial Statements reflect the actual amount of property taxes expected to be collected.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Previous Council Direction</b>    | None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Report</b>                        | <p><u>Background Information</u></p> <ul style="list-style-type: none"><li>• The write-off of tax arrears in the amount of \$39,719.87 is related to:<ul style="list-style-type: none"><li>○ Six (6) Linear accounts;</li><li>○ Eight (8) Oilfield accounts;</li><li>○ Five (5) Grant-in-Lieu of Taxes (Provincial Government);</li><li>○ Two (2) Farmland lease accounts.</li></ul></li><li>• Sturgeon County adjusts taxes receivable to allow for uncollectible accounts each year as part of the audit process to ensure receivables and revenues are not overstated.</li><li>• Six oilfield companies, which are unlikely to be collected, affect five linear and five oilfield tax rolls. Administration has attempted collection with a civil collection agency and the companies have gone bankrupt in prior years, therefore, collection is not likely.</li><li>• One oilfield company is unlikely to be collected, which affects one linear and three oilfield tax rolls, as the company is in bankruptcy. The fees to pursue collections are in excess of the taxes outstanding.</li><li>• Two farmland lease accounts were terminated in prior years. This property is now part of a highway; therefore, title change for collection is not possible. Accounts are currently inactive.</li><li>• The five Grant-in-Lieu of Taxes accounts are writing off the 2017 education and homeland housing requisitions as Municipal Affairs no longer provides a grant for these requisitions.</li><li>• Sturgeon County wrote off taxes owing in the amount of \$72,537.12 in 2017.</li></ul> |

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|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                            | <ul style="list-style-type: none"> <li>Oilfield and linear accounts also have until June 30<sup>th</sup> to settle taxes owed. If they remain unpaid, Sturgeon County engages the services of a bailiff. The bailiff makes considerable attempts to seize property owned by the company responsible for the tax accounts to recoup the taxes owed. If the said company is in receivership due to bankruptcy, Sturgeon County is listed as a creditor with the receiver to be eligible for payments from the proceeds of the sale of the company's assets. In some cases, the proceeds of the salvageable assets are not sufficient to pay the fees associated with receivership, which are first in line before other creditors.</li> </ul> <p><u>External Communication</u></p> <ul style="list-style-type: none"> <li>None.</li> </ul> <p><u>Relevant Policy/Legislation/Practices:</u></p> <ul style="list-style-type: none"> <li><i>Municipal Government Act</i>, R.S.A 2000, c. M-26<br/>Section 347(1) allows Council to cancel or refund all or part of a tax.</li> </ul> |
| <p><b>Implication of Administrative Recommendation</b></p> | <p><u>Strategic Alignment:</u></p> <p><b>Strong Local and Regional Governance</b> – Sturgeon County provides effective leadership and management as guided by the significant accounting policies.</p> <p><u>Organizational:</u></p> <p>The County's property tax receivables will not carry these tax accounts which will not likely be collectible. This will help to keep our property tax receivables accurate for what we will be receiving.</p> <p><u>Financial:</u></p> <p>The County's taxes receivable will be adjusted to reflect the amounts from these uncollectible accounts.</p> <p>The education and seniors tax requisition component of the attached tax accounts will be recovered in the 2019 taxation year.</p>                                                                                                                                                                                                                                                                                                                                              |
| <p><b>Alternatives Considered</b></p>                      | <p>None.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><b>Implications of Alternatives</b></p>                 | <p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> <li>None.</li> </ul> <p><u>Organizational:</u></p> <ul style="list-style-type: none"> <li>None</li> </ul> <p><u>Financial:</u></p> <ul style="list-style-type: none"> <li>None.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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**Follow up Action** 1. Administration will remove receivables from property tax ledger.

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**Attachment(s)** 1. December 1, 2018 Tax Arrears Write-Off List

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**Report Reviewed  
by:**



Ed Kaemingh, Manager Financial Services



Rick Wojtkiw, General Manager Corporate Support



Reegan McCullough, County Commissioner (CAO)

## Strategic Alignment Checklist

**Vision:** *Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.*

**Mission:** *Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.*

| Focus Areas                                                                                                                                                                                                                                                                                                                                                                      | Not consistent           | N/A                                 | Consistent                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|-------------------------------------|
| <b>Planned Growth and Prosperity</b>                                                                                                                                                                                                                                                                                                                                             |                          |                                     |                                     |
| <i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment.<br/>(Strategic Plan and MDP pg. 36)</i>                                                                                                                                                                             | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <ul style="list-style-type: none"> <li><i>Supports a strong thriving business environment to strengthen our economic foundation</i></li> </ul>                                                                                                                                                                                                                                   | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <ul style="list-style-type: none"> <li><i>Plans for responsible growth through the MDP and regional growth plan.</i></li> </ul>                                                                                                                                                                                                                                                  | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <ul style="list-style-type: none"> <li><i>Manages growth for current and future developments through:                             <ul style="list-style-type: none"> <li><i>transparent bylaws, policies and processes to enable responsible land development</i></li> <li><i>targeting growth around existing and identified future growth areas</i></li> </ul> </i></li> </ul> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <b>Maintain and Enhance Strong Communities</b>                                                                                                                                                                                                                                                                                                                                   |                          |                                     |                                     |
| <i>We are committed to a safe and viable community, where our residents are provided with access to opportunities and quality of life.<br/>(Strategic Plan and pg. 27 MDP)</i>                                                                                                                                                                                                   | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <ul style="list-style-type: none"> <li><i>Provides access to programs and services that have a positive impact on residents' quality of life</i></li> </ul>                                                                                                                                                                                                                      | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <ul style="list-style-type: none"> <li><i>Provides access to safe and reliable infrastructure assets</i></li> </ul>                                                                                                                                                                                                                                                              | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <ul style="list-style-type: none"> <li><i>Supports the safety of people and property</i></li> </ul>                                                                                                                                                                                                                                                                              | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <b>Strong Local and Regional Governance</b>                                                                                                                                                                                                                                                                                                                                      |                          |                                     |                                     |
| <i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan and pg. 27 MDP)</i>                                                                                                                                                                                                                                          | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <ul style="list-style-type: none"> <li><i>Provides effective leadership and management consistent with Strategic Plan, MDP, master plans, bylaws, policies, community engagement</i></li> </ul>                                                                                                                                                                                  | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| <ul style="list-style-type: none"> <li><i>Considers fiscal stability and sustainability</i></li> </ul>                                                                                                                                                                                                                                                                           | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| <ul style="list-style-type: none"> <li><i>Fosters collaborative intergovernmental partnerships</i></li> </ul>                                                                                                                                                                                                                                                                    | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <b>Community Identity &amp; Spirit</b>                                                                                                                                                                                                                                                                                                                                           |                          |                                     |                                     |
| <i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan and MDP pg. 27)</i>                                                                                                                                                                                                                                            | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <ul style="list-style-type: none"> <li><i>Promotes and/or enhances residents' identification with Sturgeon County</i></li> </ul>                                                                                                                                                                                                                                                 | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <ul style="list-style-type: none"> <li><i>Support and/or collaborate with voluntary organizations in the region</i></li> </ul>                                                                                                                                                                                                                                                   | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <b>Environmental Stewardship</b>                                                                                                                                                                                                                                                                                                                                                 |                          |                                     |                                     |
| <i>We foster a healthy environment and minimize our impact on ecosystems.<br/>(Strategic Plan and MDP pg. 27)</i>                                                                                                                                                                                                                                                                | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <ul style="list-style-type: none"> <li><i>Plans and partnerships that minimize environmental impact on natural areas</i></li> </ul>                                                                                                                                                                                                                                              | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <ul style="list-style-type: none"> <li><i>Provides awareness of environmental issues impacting the County</i></li> </ul>                                                                                                                                                                                                                                                         | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |