

Request for Decision

Title	2017 Property Tax Write-off
Proposed Motion	That Council authorize the write-off of taxes owing in the amount of \$72,537.12 per the presented tax roll list, as these accounts are no longer collectible.
Administrative Recommendation	That Council ensures Sturgeon County Financial Statements reflect the actual amount of taxes expected to be collected.
Previous Council Direction	None.
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • The write-off of tax arrears in the amount of \$72,537.12 is related to: <ul style="list-style-type: none"> ○ Three (3) Linear accounts; ○ Six (6) Oilfield accounts; ○ Two (2) Grant-in-Lieu of Taxes (Provincial Government). • 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. • Four of the oilfield accounts and one linear account all belong to one company. According to the receiver who handled the sale of the assets, there were no proceeds left to settle the tax arrears owing on these accounts. Also, the remainder of the company's salvageable assets that the receiver was charged with did not fall within Sturgeon County's jurisdiction. As such, the County was listed as an unsecured debtor. As per legal counsel, this account was deemed uncollectible. • The remaining oilfield accounts and one other linear account also belonged to a single company. They are in the final stages of receivership. The proceeds of the sale of the assets of this company are only sufficient to cover the fees owing to the trustee in administering matters as per correspondence received from the receiver. Sturgeon County and other municipalities listed on the account will not be receiving tax arrears owed. As per legal counsel, this account is deemed uncollectible. • The final linear account on the list belongs to a company whose offices were attended to by civil enforcement. The company's name had been removed from the building's registry and the remaining assets in the

offices were desks and chairs. The cost of the removal of these remaining assets would outweigh the tax arrears owed on the account. The company's name has been subsequently removed from Alberta Registries according to the bailiff, leaving no further recourse to recover the taxes owed on the property.

- The two Grant-in-Lieu of Taxes accounts were formerly paid for by Alberta Municipal Affairs. One of the properties was formerly operated by Alberta Alcohol and Drug Abuse Commission (AADAC) and the property no longer qualifies under the grant in place of taxes (GIPOT) program for 2017. The second account is also no longer eligible under the GIPOT program. Alberta Transportation reported that the house on the property was demolished in 2013 and the lease on the property was also terminated in that same year. As such, the taxes on the property for the 2017 taxation will not be paid. Municipal Affairs did pay all taxes owed up until 2016.
- Sturgeon County wrote off taxes owing in the amount of \$63,975.37 in 2016.
- Oilfield and linear accounts also have until June 30th 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.

External Communication

- None.

Relevant Policy/Legislation/Practices:

- *Municipal Government Act*, R.S.A 2000 C.M-26
Section 347 (1) allows Council to cancel or refund all or part of a tax.

Implication of Administrative Recommendation

Strategic Alignment:

Financial Policy guides the application of funding sources.

Organizational:


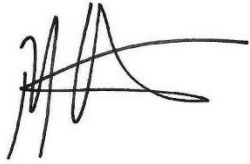
The County's property tax receivable ledger will not carry these uncollectible tax accounts.

Financial:

The County's taxes receivable will be adjusted to reflect the amounts from these uncollectible accounts.

The education and seniors tax requisition component of the five attached tax accounts will be recovered in the 2018 taxation year.

Alternatives Considered	None.
Implications of Alternatives	<u>Strategic Alignment:</u> None. <u>Organizational:</u> None. <u>Financial:</u> None.
Follow up Action	1. Finance will remove receivables from ledger.
Attachment(s)	1. December 1, 2017 Tax Arrears Write-Off List

Report Reviewed by:	 Ed Kaemingh, Manager Financial Services  Rick Wojtkiw, GM Corporate & Acting 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
Strong Local Governance and Regional Leadership			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Consistent with neighborhood role (see MDP), master plans, policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers fiscal stability and sustainability</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Has a positive impact on regional and sub-regional cooperation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Respect the Natural Environment			
<i>We acknowledge the importance of a healthy environment and will minimize and monitor our impact on ecosystems (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Compliance with Provincial and Federal regulations and/or legislation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Ensure effective environmental risk management</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Identity & Spirit			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan, (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes and/or enhances residents' identification with Sturgeon County</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Enhances service provision through community partnerships</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports Sturgeon County's cultural history</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Planned Growth and Prosperity			
<i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers cumulative costs and long-term funding implications</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Targets growth around current or planned infrastructure</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe, secure community, where our residents are respected and provided with access to opportunities. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Positive impact on residents' quality of life</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports and promotes volunteer efforts</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Provides programs and services that are accessible to all residents</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<i>We have the organizational capability to deliver consistent and defined levels of service to all stakeholders in a professional, efficient, and cost effective manner</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Staff have the knowledge, skills and capability to perform their jobs</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Streamlines operational processes and policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes engagement and professional interaction with stakeholders</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>