



Municipality of Port Hope

Staff Report

porthope.ca/agendas-and-minutes

Report Title: 2021 Q4 Financial Update

Report to: Finance Committee

Date of meeting: February 1, 2022

Report Author:

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Department responsible:

Finance

Report Number: FS-04-22

Recommendation:

Receive for information.

Highlights:

- Value of Procurement projects in Q4 2021 was \$801,137.48.
- All properties registered for tax sale in 2019 that were to be tax sold in 2021 paid in full prior to the Tax Sale Date.

Background:

Every three months, at the end of each fiscal quarter, the Finance Department provides Finance Committee with updates on Revenues and Expenses, Purchasing, and Taxes Receivable. This report consolidates these areas of interest. Other periodic financial updates are provided through separate reports.

At the end of the year, the full financial period close process is undertaken, and the results will be reflected in the Audited Financial Statements which will be provided to Council after being completed and reviewed by Audit Committee.

The Municipal Purchasing Policy (By-law 20/2018) requires that procurement activity with an estimated value of \$10,000 or greater be reported to Finance Committee on the same quarterly basis for awareness.

Finally, a summary of the collection of tax arrears arising from prior years is provided as well as an update on notable collection activity.

Discussion:

Procurement Projects

During the fourth quarter the following approved projects have been awarded:

(Per our policy, only amounts estimated to be >\$10k are to be reported, with anticipated by-law amendments only amounts estimated to be >\$25k will be reported)

Dept.	Type	Quote/Proposal/Tender Name	Awarded To	Price Net HST
W&E-Wastewater	Tender	Clarifier System Replacement	Nielsen-Tran Mechanical Inc.	\$416,269.63
PRC	Proposal	Waterfront and Riverwalk Masterplan	WSP Canada Inc.	\$132,430.46
W&E-Eng	Quote	Tree Planting	Cressman Tree Maintenance & Landscaping Ltd.	\$45,588.48
W&E-Wastewater	Tender	Chemical Room Ventilation	Hamilton Smith Limited	\$40,195.20
W&E	Cooperative Purchase	Street Light Replacement - Cooperative Purchase	Realterm Energy Corp.	\$99,796.03 ³
W&E-Roads	Single Source	Tires	Michelin	\$23,798.80
W&E-Wastewater	Single Source	Emergency replacement of the WWTP Stand-by Generator Coolant Pump	Iron Equipment Ltd.	\$16,128.32
W&E-Water	Quote	WTP Inspect Tanks, Chambers and Channels	AECOM Canada Ltd.	\$12,498.16
W&E-Water	Quote	WTP Clean and Repaint Lintels, Pilasters, Door Frames	Artist's Touch & Design Inc.	\$7,645.00 ¹
PRC	Quote	Removal of Soccer Lights at TPRC	B.G. Roberts Electric Ltd.	\$6,787.39 ¹

W&E-Eng	Quote	Snow Clearing from Bus Stops and School Cross Walks	Henderson Construction	\$127.2/hr
W&E-Roads	Other	Rural Roads Annual Resurfacing -MPH + Northumberland County Portion	Northumberland County	\$ ²

¹ Reported due to estimated budget amount being >\$10K

² Awaiting invoice for County portion for Award date and amount

³ Grant to be applied to reduce purchase price by approximately \$11,000

Property Taxes

Arrears Pertaining to Prior Years					
TAXES RECEIVABLE	2020	2019	2018	2017 and older	Total
2020 Year End	\$ 1,447,847.86	\$ 585,109.82	\$ 343,148.04	\$ 114,760.17	\$ 2,490,865.89
2021 Forth Quarter (Dec 31)	\$ 693,797.22	\$ 389,597.25	\$ 331,511.29	\$ 23,761.37	\$ 1,438,667.13
Q4 Increase / (Decrease)	(\$754,050.64)	(\$195,512.57)	(\$11,636.75)	(\$90,998.80)	(\$1,052,198.76)

Since the 4th quarter of 2020 report the prior year's tax arrears to December 31, 2021 have been reduced \$1,052,198.76 for the year.

The following is a summary of the current status of collections efforts.

As per the Tax Collection procedure, staff sent out overdue notices within two weeks of an installment due date and arrears notices were sent out a total of 5 times this year.

Three levels of advanced notices to property owners coming up to the two years in arrears as of December 31, 2020 commenced in the 4th quarter, with 95 property owners receiving 1st notices, 80 property owners receiving 2nd notices and 55 eligible to receive 3rd notices.

It was the intent that in the first quarter of 2021 that Farm Debt notices be sent out to the eligible property owners remaining. This step is prior to registering the properties for tax sale. Due to unforeseen circumstances with Finance staffing and Covid 19 this process was not completed in 2021. It is the intent that notices will proceed in the 1st or 2nd quarter of 2022.

There were two properties registered for tax sale in 2019 that were to be tax sold in April 2021, both properties paid in full prior to the sale date.

Staff are very conscious of what the impact to a property owner can be if their property is sold under tax registration procedures, and therefore every effort is made to clear the arrears in advance of any proceedings of tax sale taking place.

During 2021, 23 taxpayers who were not able to pay their arrears in full were entered into payment plans. 13 taxpayers completed their payment plan obligations and 10 remain in payment plans.

Taxpayers are encouraged to join one of the two preauthorized monthly payment plans and enrollment continues to rise. We currently have 25% of property owners registered in our preauthorized plans as well as 17% of property owners which have mortgage companies pay taxes on their behalf.

Financial Considerations:

The collection of tax arrears improves the Municipal cash flow.

Communication and Public Engagement:

Currently, we have two open requests for proposals:

02P-ENG-2022 -For engineering services to complete a municipal class environmental assessment and design for shoreline erosion protection at Lake street/waterfront trail

03P-ENG-2022 Engineering services to complete a MCEA and design for the replacement of Shuter street sanitary force main, gravity sanitary sewer and for the inspection of the mill street pump station flow meter chamber for rehabilitation.

Conclusion:

The 2021 fourth (4th) quarter results will be included in the 2021 Audited Financial Statements. The Municipal Procurement continues to be a fair and transparent process. Significant effort continues towards reducing tax receivables and managing an efficient tax sale process.

Attachments:

Not applicable.