

Request for Decision City Council




| Type of Decision | | | | | | | |
|--------------------|-------------------------------------|-----|--------------------------|-------------|------------------|-------------------------------------|--------|
| Meeting Date | November 14, 2007 | | | Report Date | November 2, 2007 | | |
| Decision Requested | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No | Priority | <input checked="" type="checkbox"/> | High |
| | Direction Only | | | | Type of Meeting | <input checked="" type="checkbox"/> | Open |
| | | | | | | | Closed |

| Report Title |
|---|
| Tax Adjustments under Sections 357 and 358 of the Municipal Act |

| Budget Impact / Policy Implication | Recommendation |
|---|--|
| <div> <div>This report has been reviewed by the Finance Division and the funding source has been identified.</div> <div> <p>Of the total taxes to be struck from the tax roll, the City's portion is \$5,564.22. This amount, as well as previous amounts struck from the roll for 2007, is well within the budget amount for the tax write offs.</p> </div> </div> | <div> <p>THAT the amount of \$8,181.57 be struck from the tax roll.</p> </div> |
| <div> <div><input checked="" type="checkbox"/></div> <div>Background Attached</div> </div> | <div> <div></div> <div>Recommendation Continued</div> </div> |

| Recommended by the Department | Recommended by the C.A.O. |
|---|---|
| <div> <p>Lorella Hayes Chief Financial Officer / Treasurer</p> </div> | <div> <p>Mark Mieto Chief Administrative Officer</p> </div> |

Date: November 2, 2007

| Report Prepared By | Division Review |
|--|-----------------|
|  Tony Derro Supervisor of Tax / Chief Tax Collector | |

Background

Sections 357 and 358 of the Municipal Act provide the authority for the cancellation, reduction or refund of realty taxes.

Section 357

Section 357 authorizes the cancellation, reduction or refund of realty taxes in the current year for such reasons as change in rate of taxation, change in tax status, fire / demolition or gross error. Section 357 applications are verified by the Municipal Property Assessment Corporation and processed by the municipality.

Section 358

Section 358 of the Municipal Act authorizes the reduction of realty taxes for clerical errors such as errors in key punching, transposition of figures or mathematical calculations. Such errors occur with the preparation of the assessment roll and are confirmed by the Municipal Property Assessment Corporation prior to the tax adjustment by the municipality. Section 358 applications are limited to the two (2) taxation years prior to the year in which the error(s) was made.

The Treasurer's recommendations for the cancellation, reduction or refund of realty taxes under the Municipal Act are presented to Council for approval. Attached for Council's information and action is Schedule A, summarizing the tax adjustments by authority, reason and amount. Also attached is Schedule B which provides a more detailed property by property description of the tax adjustments.

The Municipal Act provides for a notification / appeal process for property owners that have applied for a tax adjustment. Notices were sent to property owners on or before October 31, 2007 and all queries / concerns were addressed by the Tax Department prior to the preparation of the attached Schedule B and none of the applicants have requested an appearance before the Hearing Committee of Council.

SCHEDULE 'A'
APPLICATIONS TO CITY COUNCIL FOR TAX ADJUSTMENTS
UNDER SECTIONS 357/358 OF THE MUNICIPAL ACT
****November 14, 2007****

| <i>Reason for Adjustment</i> | <i>Applications</i> | <i>City Portion</i> | <i>Education Portion</i> | <i>CBI / FBI</i> |
|------------------------------|---------------------|---------------------|--------------------------|------------------|
| Fire or Demolition | 2 | \$ 2,032.23 | \$ 313.23 | \$ - |
| Class Change | 1 | \$ 1,328.80 | \$ 1,960.85 | \$ - |
| Exempt | 4 | \$ 2,203.19 | \$ 343.27 | \$ - |
| TOTAL: | 7 | \$ 5,564.22 | \$ 2,617.35 | \$ - |

****November 14, 2007****

TOTAL:

Schedule 'B'
RECOMMENDED APPLICATIONS TO CITY COUNCIL FOR TAX ADJUSTMENTS
UNDER SECTION 357 OF THE MUNICIPAL ACT
November 14, 2007

| Item # | Roll # | Class | Location | Assessed Property Owner | Assessment Reduction | Year | # Days | Municipal Portion | City Portion | Education Rate | Education Portion | CBI / FBI Rate | CBI / FBI Portion | Total | Comments |
|--------|---------------|-------|----------------------|--------------------------|----------------------|------|--------|-------------------|--------------|----------------|-------------------|----------------|-------------------|-------------|-------------------|
| 1 | 010.016.13630 | RTEP | 253 Second Avenue | Christian Horizons | 58000 | 2006 | 214 | 0.01642385 | \$ 558.50 | 0.00264000 | \$ 89.77 | 0.00 | \$ 0.00 | \$ 648.28 | Became Exempt |
| 2 | 010.016.13630 | RTEP | 253 Second Avenue | Christian Horizons | 58000 | 2007 | 365 | 0.0171283 | 993.44 | 0.00264000 | 153.12 | 0.00 | 0.00 | 1,146.56 | Became Exempt |
| 3 | 070.008.05600 | RTEP | 520 Kingsway | City of Greater Sudbury | 54000 | 2007 | 257 | 0.0171283 | 851.25 | 0.00264000 | 100.38 | | | 751.63 | Became Exempt |
| 4 | 010.001.01600 | RTES | 271 Van Horne Street | Roman Catholic Episcopal | 0 | 2007 | 365 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | No Recommendation |
| TOTAL: | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | \$ 2,203.19 | | \$ 343.27 | | \$ - | \$ 2,546.47 | |

Request for Decision City Council



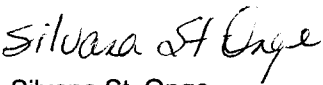

| Type of Decision | | | | | | | | | |
|--------------------|-------------------|-----|--|----|-----------------|------------------|------|---|--------|
| Meeting Date | November 14, 2007 | | | | Report Date | November 7, 2007 | | | |
| Decision Requested | X | Yes | | No | Priority | | High | X | Low |
| | Direction Only | | | | Type of Meeting | X | Open | | Closed |

| Report Title |
|-----------------------------|
| Amendment to By-Law 2001-8F |

| Budget Impact / Policy Implication | | Recommendation |
|------------------------------------|---|--|
| x | This report has been reviewed by the Finance Division and the funding source has been identified. | |
| | | That By-law 2001-8F (Borrowing By-law) be amended to provide for compliance with the Royal Bank of Canada's standard form. |
| x | Background Attached | Recommendation Continued |

| Recommended by the Department | Recommended by the C.A.O. |
|--|--|
| Lorella Hayes Chief Financial Officer / Treasurer | Mark Mieto Chief Administrative Officer |

Date: November 7, 2007

| Report Prepared By | Division Review |
|---|---|
|  Silvana St. Onge Co-ordinator of Accounting |  Cheryl Mahaffy Deputy Treasurer |

OVERVIEW

The purpose of this report is to amend By-law 2001-8F (Borrowing By-law) to comply with the Royal Bank of Canada's standard form.

BACKGROUND

In January 2001, the City of Greater Sudbury passed By-law 2001-8F, which was intended to cover any possible temporary borrowing needs for 2001 and future years. The By-law, passed under the authority of the Municipal Act, Section 407, makes provision for the City to borrow up to 50% of total estimated revenues for the year from January to September, and up to 25% for the remainder of the year, on a temporary basis, should the need arise. The Royal Bank, being the City's banker at the time, was provided with a copy of this By-law .

In recent months, the Royal Bank has issued a standard borrowing by-law form for all of its municipal clients to use. There are two clauses in the standard form which are not included in the City's present by-law: one requires the treasurer to provide the bank with information regarding any other borrowing that is unpaid, and the other indicates that the bank is not responsible for determining the necessity of borrowing, or determining the manner in which any funds borrowed are used.

The City is often in a borrowing position in the early part of the year, as expenses are incurred fairly evenly throughout the year, while the major revenues (taxes, subsidies, and grants) come in less regularly, and at later periods in the year. When the need arises for the City to access funds on a temporary basis for operating expenses, then reserve funds, capital funds or any other City holdings, are first accessed (and paid appropriate interest). The City has not had any need to borrow from the Bank, and amending the by-law will not change this.

CONCLUSION

In order to be compliant with the our Banker, it is recommended that the Borrowing By-law be amended to include the wording required by the Bank.