



Township of Carling

FORMAL REPORT

Report to:	Council	Date of Meeting:	June 9, 2020
Department:	Finance	Author:	Sylvia Roy, CPA, CGA
Status:	OPEN MEETING	Subject:	Amend Budget, Tax Rates & Final Tax Bill and Due Dates for 2020

RECOMMENDATION:

THAT Council authorize the budget amendment in Schedule A, resulting in a taxation revenue decrease of \$234,487; and,

THAT Council authorize the updated tax rates in Schedule B by way of By-Law amendment; and,

THAT Council change the final tax bill date to July 20th, the first installment due date to August 27th and the second installment due date to Oct 27th, 2020, by way of By-law amendment.

BACKGROUND:

Carling Township passed its 2020 Final Budget on March 10th, 2020. That budget resulted in a total tax bill increase of 5.2% from the previous year and a total taxation levy of \$5,571,603. The final tax bill date is currently June 22nd, 2020 with the installments due on July 30th, 2020 and August 27th, 2020. After the budget was set, the Province declared its first state of emergency on March 17th due to the COVID-19 pandemic. Many businesses were ordered to shut down and many Ontario residents were unemployed. The province and township are in unprecedented times and the economic outlook and total financial impact on our residents is unknown.

KEY POINTS:

- Moved the municipal portion of \$234,487, in the capital budget for Dillion Road, from taxation revenue to working fund reserve.
- Reduced the taxation levy by \$234,487 resulting in a taxation levy of \$5,337,116 and an overall tax bill increase from 2019 of 1.7%.
- Altering the budget results in our report in OPTA not being data ready to import our rates into asyst and be able to bill by end of June. More importantly, changing our final tax bill and due dates gives our ratepayers more time to recover and plan financially.
- At the end of 2019 Carlings non-obligatory (discretionary) reserve balance was \$4,639,317 (audit pending) and Carling has a \$0 balance on its line of credit with a limit of \$2,250,000. Carling has sufficient cash flow to cover any unknown risk associated with COVID-19.

ANALYSIS:

Residential Tax Bill Increase from 2019 to 2020:

2020 Increase to the Residential Taxpayer in the Township of Carling

2019 Residential Tax Bill Impacts			
	<u>Mun. Tax Rate</u>	<u>Edu. Tax Rate</u>	<u>Total Tax Rate</u>
	0.00491721	0.00161000	0.00652721
\$200,000	\$ 983	\$ 322	\$ 1,305
\$400,000	\$ 1,967	\$ 644	\$ 2,611
\$800,000	\$ 3,934	\$ 1,288	\$ 5,222
\$1,000,000	\$ 4,917	\$ 1,610	\$ 6,527

2020 Residential Tax Bill Impacts			
	<u>Mun. Tax Rate</u>	<u>Edu. Tax Rate</u>	<u>Total Tax Rate</u>
	0.00511107	0.00153000	0.00664107
\$ 200,000	\$ 1,022	\$ 306	\$ 1,328
\$ 400,000	\$ 2,044	\$ 612	\$ 2,656
\$ 800,000	\$ 4,089	\$ 1,224	\$ 5,313
\$ 1,000,000	\$ 5,111	\$ 1,530	\$ 6,641

Overall Tax Bill Changes		
	<u>Increase \$</u>	<u>Increase %</u>
\$	23	1.7%
\$	46	1.7%
\$	91	1.7%
\$	114	1.7%

Interim Tax Rate Collection for 2019 & 2020:

April 30th, 2020 Arrears List

	Unapplied Credits	Current	Arrears 1	Arrears 2	Arrears 3	Arrears 4	Total
Taxes	-\$50,511	\$453,318	\$193,185	\$62,687	\$17,873	\$9,173	\$685,726
Penalty		\$9,230	\$15,780	\$4,606	\$1,697	\$2,059	\$33,372
	-7.0%	64.3%	29.1%	9.4%	2.7%	1.6%	\$719,098
Total Taxation Revenue 2019			\$6,738,743				
Penalty Charged YTD			\$14,474	Percentage of Total Tax Revenues			10.67%
2020 Interim			\$3,369,372				
2020 Interim Collected			\$2,916,053	87% of Interim Collected YTD			

of Properties with Outstanding Taxes

851

April 30th, 2019 Arrears List

	Unapplied Credits	Current	Arrears 1	Arrears 2	Arrears 3	Arrears 4	Total
Taxes	-\$34,842	\$419,943	\$154,783	\$58,987	\$14,771	\$4,971	\$618,614
Penalty		\$15,591	\$14,713	\$4,351	\$1,013	\$1,409	\$37,076
	-5.3%	66.4%	25.8%	9.7%	2.4%	1.0%	\$655,690
Total Taxation Revenue 2018			\$6,453,806				
Penalty Charged YTD			\$19,955	Percentage of Total Tax			10.16%
2019 Interim			\$3,226,903				
2019 Interim Collected			\$2,806,960	87% of Interim Collected YTD			

of Properties with Outstanding Taxes

708

FINANCIAL IMPACT:

The financial impact of COVID-19 has not been shown on Carling Township's financials as of the end of April. The percentage of interim property tax bills collected for 2020 is 87%. Although the total arrears are \$719,098 for April 30th, 2020 and it is \$655,690 for April 30th, 2019, the percentage of bills collected YTD is the exact same. Carling has mostly residential properties so the effects on businesses don't impact the Township as much as it may its neighbouring townships. The government has issued the Canadian Emergency Response Benefit and banks allowed mortgages and loans to be deferred so it appears ratepayers can still pay their property tax bills at this point in time.

The working fund reserve balance will be impacted by a reduction of \$234,487. Carlings discretionary reserve balance as at the end of 2019 is \$4,639,317 and Carlings debt balance at the end of 2019 was \$2,117,675. If the debt was called above, Carling Township would have \$2,521,642 in reserves for operations, which results in 52% coverage of operating expenses. As mentioned, a line of credit is also available if needed.

OTHERS CONSULTED:

- Kevin McLLwain, Chief Administrative Officer

ATTACHMENTS:

- By-Law to Amend By-law 2020-XX to adopt estimates and tax rates for 2020
- Schedule A
- Schedule B

SUMMARY:

In summary, amending the budget to have a final tax levy of \$5,337,116 for 2020 will reduce the tax bill increase from 5.2% initially down to 1.7% year-over-year. This budget change will help Carling's ratepayers during the COVID-19 pandemic. The financial impact on the Township is minimal as Carling Township has sufficient reserves to cover this amendment and future cash flow risks.

Respectfully Submitted,

Sylvia Roy, CPA, CGA

Treasurer

**Township of Carling
2020 Budget**

Schedule A

Functional Area	Revenues	Expenses	2020 Budget (Surplus)/Deficit
1.0 Council	-\$ 2,500	\$ 183,723	\$ 181,223
General Government	-\$ 2,500	\$ 183,723	\$ 181,223
1.1 External Boards	\$ -	\$ 1,615,207	\$ 1,615,207
DSSAB	\$ -	\$ 442,520	\$ 442,520
Health & Land Ambulance	\$ -	\$ 47,659	\$ 47,659
Libraries	\$ -	\$ 46,921	\$ 46,921
Long Term Care Homes	\$ -	\$ 172,584	\$ 172,584
Policing	\$ -	\$ 427,244	\$ 427,244
PSAIPB	\$ -	\$ 32,565	\$ 32,565
911	\$ -	\$ 1,363	\$ 1,363
Museum	\$ -	\$ 29,796	\$ 29,796
MPAC	\$ -	\$ 88,795	\$ 88,795
Park to Park	\$ -	\$ -	\$ -
PSAPB	\$ -	\$ 7,000	\$ 7,000
WSP Economic Development	\$ -	\$ 10,000	\$ 10,000
EMS	\$ -	\$ 308,760	\$ 308,760
1.2 Grants and Transfers	\$ -	\$ 24,300	\$ 24,300
Environment	\$ -	\$ 8,000	\$ 8,000
Donations	\$ -	\$ 7,800	\$ 7,800
GIS	\$ -	\$ 8,500	\$ 8,500
2.0 Taxation	-\$ 5,337,116	\$ 10,500	-\$ 5,326,616
General Government	-\$ 5,337,116	\$ 10,500	-\$ 5,326,616
2.1 Administration	-\$ 905,200	\$ 991,952	\$ 86,752
General Government	-\$ 877,900	\$ 844,685	-\$ 33,215
Planning	-\$ 27,300	\$ 143,266	\$ 115,966
Reserve Transfers	\$ -	\$ 4,000	\$ 4,000
3.0 Protection to Persons & Property	\$ -	\$ 3,500	\$ 3,500
Protection - Other	\$ -	\$ 3,500	\$ 3,500
3.1 Building & Protection	-\$ 146,300	\$ 207,032	\$ 60,732
Animal Control	\$ -	\$ 4,000	\$ 4,000
Building & Bylaw	-\$ 146,300	\$ 203,032	\$ 56,732
Reserve Transfers	\$ -	\$ -	\$ -
3.2 Fire Protection	-\$ 24,000	\$ 453,765	\$ 429,765
Fire Protection	-\$ 24,000	\$ 453,765	\$ 429,765
4.1 Public Works	-\$ 4,029,447	\$ 6,795,389	\$ 2,765,942
Bridges & Culverts	\$ -	\$ 65,137	\$ 65,137
Cemeteries	-\$ 2,200	\$ 34,669	\$ 32,469
Environment	\$ -	\$ -	\$ -
General Government	-\$ 3,281,063	\$ -	-\$ 3,281,063
Transportation - General	-\$ 122,757	\$ 5,707,967	\$ 5,585,210
Transportation - Safety	\$ -	\$ 13,546	\$ 13,546
Transportation - Summer Control	\$ -	\$ 273,484	\$ 273,484
Transportation - Winter Control	\$ -	\$ 318,093	\$ 318,093
Waste	-\$ 43,000	\$ 336,093	\$ 293,093
Reserve Transfers	-\$ 580,427	\$ -	-\$ 580,427
Transportation - Other Equipment	\$ -	\$ 41,000	\$ 41,000
Transportation - Heavy Equipment	\$ -	\$ -	\$ -
Transportation - HD Pick Up	\$ -	\$ -	\$ -
Transportation - Light Pick Up	\$ -	\$ 5,400	\$ 5,400
4.2 Equipment	-\$ 15,598	\$ 35,001	\$ 19,403
Transportation - Other Equipment	\$ -	\$ -	\$ -
Transportation - Heavy Equipment	\$ -	\$ 35,098	\$ 35,098
Transportation - HD Pick Up	-\$ 15,598	-\$ 35,097	-\$ 50,695
Transportation - Light Pick Up	\$ -	\$ 35,000	\$ 35,000
4.3 Recreation	-\$ 115,173	\$ 254,967	\$ 139,794
Libraries	-\$ 7,223	\$ -	-\$ 7,223
Recreation - Facilities	-\$ 18,000	\$ 171,606	\$ 153,606
Water Access	\$ -	\$ 56,364	\$ 56,364
Parks, Trails & Beaches	-\$ 500	\$ 26,997	\$ 26,497
Reserve Transfers	-\$ 89,450	\$ -	-\$ 89,450
Grand Total	-\$ 10,575,334	\$ 10,575,334	\$0

Township of Carling
Schedule B to By-Law XX-2020

RT	Residential	0.00511107
	New Multi-Residential	0.00562218
CT	Commercial	0.00718105
CU	Commercial Excess Land	0.00502674
CX	Commercial Vacant Land	0.00502674
XT	Commercial New Construction	0.00718105
IT	Industrial	0.01121215
IH	Industrial PIL	0.01121215
IX	Industrial Vacant Land	0.00728790
JT	Industrial New Construction	0.01121215
JU	Industrial New Const. Excess Land (No Support)	0.00728790
LT	Large Industrial	0.01121215
FT	Farm	0.00127777
TT	Managed Forest	0.00127777
RF	Residential PIL	0.00511107
RP	Residential	0.00511107
RG	Residential	0.00511107
CF	Commercial PIL	0.00718105
CG	Commercial PIL (No School Rate)	0.00718105
IR	Industrial PIL Vacant Land	0.00728790