



Agenda

Corporation of the Town of Kirkland Lake
Special Meeting of Council
Council Chambers, Town Hall
March 31, 2020
4:40 p.m.

1. **Call to Order and Moment of Silence**

2. **Approval of the Agenda**

BE IT RESOLVED THAT the Agenda for the Special Meeting of Council held on March 31, 2020 beginning at 4:40PM be approved as circulated to all Members of Council

3. **Declaration of Pecuniary Interest**

4. **Petitions and Delegations**

5. **Acceptance of Minutes and Recommendations**

6. **Reports of Municipal Officers and Communications**

6.1 **Tax & Ratepayer Relief - COVID-19**
Keith Gorman, Treasurer

BE IT RESOLVED THAT Report Number 2020-FIN-005 entitled “Tax & Ratepayer Relief - COVID-19” be received,

THAT staff be directed to present a By-law to Council to authorize the Town of Kirkland Lake to waive the penalty associated with late payments on the second installment (due April 9th, 2020) of the 2020 Interim Tax Levy, and

THAT staff be directed to review the next Quarterly Utilities Billings timelines and adjust the schedule to ensure the water/utility billings due date extends beyond the grace period granted for the second installment of the 2020 Interim Tax Levy.

7. **Consideration of Notices of Motion**

8. **Introduction, Reading and Consideration of Bylaws**

9. **Questions from Council to Staff**

10. **Notice(s) of Motion**

11. **Councillor’s Reports**

12. **Additional Information**

PLEASE NOTE: All items on this Agenda are for Council’s consideration and will be voted on at the meeting.

13. Closed Session

14. Matters from Closed Session

15. Confirmation Bylaw

16. Adjournment

BE IT RESOLVED THAT Council adjourn the March 31, 2020 Special Meeting of Council



REPORT TO COUNCIL

Meeting Date: 3/31/2020	Report Number 2020-FIN-005
Decision Requested: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Direction Only	Priority: <input checked="" type="checkbox"/> High <input type="checkbox"/> Low Type of Meeting: <input checked="" type="checkbox"/> Open <input type="checkbox"/> Closed
Presented by: Keith Gorman	Department: Treasury

Report Title

Tax & Ratepayer Relief - COVID-19

Recommendations

BE IT RESOLVED THAT Report Number 2020-FIN-005 entitled “**Tax & Ratepayer Relief - COVID-19**” be received,

THAT staff be directed to present a By-law to Council to authorize the Town of Kirkland Lake to waive the penalty associated with late payments on the second installment (due April 9th, 2020) of the 2020 Interim Tax Levy, and

THAT staff be directed to review the next Quarterly Utilities Billings timelines and adjust the schedule to ensure the water/utility billings due date extends beyond the grace period granted for the second installment of the 2020 Interim Tax Levy.

Background

On March 17, 2020, the Government of Ontario declared a State of Emergency under s. 7.0.1 (1) the *Emergency Management and Civil Protection Act* to invoke measures to protect the health and safety of all Ontarians related to the COVID-19 pandemic.

As a result of this declaration and its associated orders, numerous businesses, organizations, facilities and related amenities have been forced to temporarily close, resulting in potential financial hardships for residents and businesses as it relates to tax and utility payments within the municipality.

Both the Provincial and Federal Governments have released details relating to relief programs to support individuals and businesses impacted by the COVID-19 Pandemic, with the timing of these relief programs still to be finalized in most instances. It is anticipated that these relief programs are only the initial relief efforts announced by

upper levels of government to assist Canadians. Staff anticipate that additional financial relief programs will be announced in the future. Staff recommend that the Town of Kirkland Lake should proceed with caution until the complete impact of COVID-19 is known and until all relief efforts being provided by upper levels of government are released in the coming days and weeks.

Budget Implications

Penalties associated with late installments have not been a significant revenue source in the past for the municipality. The 2020 budgeted revenues will need to be reduced by approximately \$5,000 (using the penalties associated with the April 2019 installment for comparative analysis).

All other recommendations do not significantly impact the overall budget and are deferrals of revenue.

Options / Discussions

The following options are available for Council's consideration:

Option A - Tax Deadline Extension

In accordance with By-law Number 20-002, the municipality is currently mid-way through the collection process of the 2020 Interim Tax Levy. All tax bills were distributed in early February identifying the installment due dates. The first tax installment was due on March 12, 2020. Most tax accounts have already had payments applied to the 2020 Interim Tax Levy billing. In addition, many property owners have already remitted payment for the second installment in accordance with the April 9, 2020 due date.

Staff do not recommend this option given the challenges associated with amending previously distributed tax bills and a due date that has already passed. In light of the requirements of By-law Number 20-002, certain provisions of the By-law have already been applied to bills that were due on March 12th.

Option B - Waive Penalties

By-law Number 20-002 specifies two aspects of penalty, indicated in ***italicized bold*** below:

“On all taxes of the interim levy, ***which are in default on the first day following the last day of payment of each installment, a penalty of 1 percent shall be added*** and ***thereafter a penalty of 1 percent per month will be added on the first day of each and every month the default continues.***”

1) Waive Non-Payment/Default Penalty

By-law Number 20-002 currently requires that a penalty of 1 percent shall be applied on the first day following the last day of payment for each installment. As such, the March 12th installment has already had this penalty applied.

Staff recommend that Council direct staff to waive this provision of the By-law specific to the April 9th installment of the Interim Tax Levy.

2) Waive Interest

Legislation requires that penalty and interest be applied in the same manner and at the same time for all properties. As such, if interest were to be waived, it would be waived on all tax arrears, including all historical tax arrears that have been accumulating for many months, or even years. If Council were to waive interest, the property owners who have effectively paid the least amount of taxes over last several years will benefit the most from this action. While the COVID-19 Pandemic has presented significant challenges for Canadians nationwide, staff do not recommend this option as it provides little relief affecting the immediate dilemma and could potentially intensify the substantial tax arrear problem that exists in the Town of Kirkland Lake.

For example, if interest for April 2020 were to be waived, it is estimated that the municipality would forego approximately \$20,000 in interest revenues relating to historical tax arrears in an effort to waive an estimated \$5,000 - \$6,000 in interest intended to assist property owners going into arrears as a result of the COVID-19 Pandemic and negative economic effects arising from the Declaration of a Provincial State of Emergency.

Therefore, staff do not recommend this option, as the end result does not provide substantive relief to residents facing current challenges resulting from the COVID-19 Pandemic.

However, staff wish to highlight that in relation to interest, By-law Number 20-002 states – “thereafter a penalty of 1 percent per month will be added on the first day of each and every month the default continues” and should Council proceed with the recommendation to waive penalties associated with non-payment/default, taxpayers will effectively be granted an additional three weeks to remit payment on the April 9th installment before incurring penalties/interest on May 1, 2020.

Other Considerations:

Option C - Water/Utility Bills

Most water/utility bills are prepared on a quarterly basis. Staff normally process invoices early in April. Accounts become due at the end of the month. Staff have the ability to override utility due dates prior to preparing invoices.

Staff recommend that water and sewer utility billing due dates be extended by three weeks so the due date does not overlap with the extension period provided for on property taxes.

Option D - Communication

By-law Number 20-002 provides the Tax Collector and Treasurer with the authority to accept partial payments on account. Should a ratepayer experience financial hardship due to the COVID-19 Pandemic, the ratepayer may contact the municipality to discuss the circumstances and arrange a payment plan that is mutually agreed to.

Staff recommend promoting this form of relief in light of the COVID-19 Pandemic.

Other Departments Consulted and Affected

Richard McGee, Chief Administrative Officer

Attachments

Attachment 1: By-law Number 20-002 Interim Tax Levy and Interim Interest for 2020



THE CORPORATION OF THE TOWN OF KIRKLAND LAKE

BY-LAW 20-002

**Being a By-Law to provide for interim tax levy
and to provide for the payment of taxes
and to provide for penalty
and interest of 1 percent per month**

WHEREAS Section 317 of The Municipal Act, provides that the Council of a local municipality may, in 2020 before the adoption of the estimate for the year, pass a by-law to levy on the whole of the assessment for real property according to the last revised assessment roll, a sum not to exceed that which would be produced by applying the prescribed percentage (or 50 percent if no percentage is otherwise prescribed) of the final adjusted taxes for municipal and school purposes levied on the property for the previous year, that relates to residential, farm, commercial, industrial, new construction, pipelines, railways, hydro corridors, airports and other such unique properties, and;

NOW THEREFORE Council of the Corporation of the Town of Kirkland Lake enacts as follows:

1. The said interim tax levy shall become due on January 15, 2020 and payable in two installments as follows:

The remaining 50 percent of the interim levy that is subtracted from the rounded down second installment shall become payable on the 12th day of March 2020; 50 percent of the interim levy rounded down to the next whole dollar shall become payable on the 9th day of April 2020. In default of payment of the first installment of taxes or any part thereof by the named therein for the payment thereof, the remaining installment shall forthwith become payable.
2. On all taxes of the interim levy, which are in default on the first day following the last day of payment of each installment, a penalty of 1 percent shall be added and thereafter a penalty of 1 percent per month will be added on the first day of each and every month the default continues.
3. Penalties and interest added on all taxes of the interim tax levy in default shall become due and payable and all arrears shall be collected at once by distress or otherwise under the provisions of the statutes in that behalf as if the same had originally been imposed and formed part of such unpaid interim tax levy.
4. The Tax Collector, not later than twenty one days prior to the date that the first installment is due shall mail or cause the same to be mailed to the residence or place of business of such person indicated on the last revised assessment roll, a written or printed notice specifying the amount of taxes payable.
5. The Tax Collector, and Treasurer be and they are hereby authorized to accept part payment from time to time on account of any taxes due and to give a receipt for such part payment, provided that acceptance of any such payment shall not affect the collection of any percentage charges imposed and collectible in respect of non-payment of taxes or of any installment thereof.
6. That taxes are payable at the Town of Kirkland Lake Municipal Office, Kirkland Lake, Ontario.

READ a first, second and third time enacted and passed this 14th day of January 2020.

Pat Kiely, Mayor

Jo Ann Ducharme, Clerk