

# Request for Recommendation Finance Committee




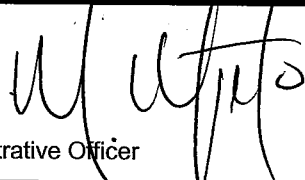
Type of Decision									
Meeting Date	April 13, 2005				Report Date	April 13, 2005			
Decision Requested	<input checked="" type="checkbox"/>	Yes		No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
2005 Property Clawback Percentages

Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
<p>If approved, there will be no budget impact.</p> <p>However, if it is not approved tax due dates will be pushed back and it will impact the City's investment income by \$7,400 per day.</p>	
<input checked="" type="checkbox"/>	Background Attached

Recommendation
<p>WHEREAS the Online Property Tax Assessment (OPTA) System is still conducting its final audit for the City of Greater Sudbury property data; and</p> <p>Whereas the final clawback rates will not be known until early next week and will only be marginally different than those rates contained in the 2005 Property Tax Policy report from the Acting Chief Financial Officer / Treasurer dated April 6, 2005;</p> <p>Therefore be it resolved that Finance Committee authorize the Acting Chief Financial Officer / Treasurer to determine, for the 2005 taxation year, the percentage of tax decreases that must be withheld (clawback) to fund the tax cap for increasing properties in the Multi-Residential, Commercial and Industrial classes; and</p> <p>That the City Solicitor prepare the necessary by-law.</p>
Recommendation Continued


Recommended by the Department Head
 S. Jonasson Acting Chief Financial Officer / Treasurer

Recommended by the C.A.O.
 M. Mieto Chief Administrative Officer



Date: April 13, 2005

**Report Prepared By**



E. Stankiewicz  
Co-Ordinator of Current Budget

**Division Review**



C. Mahaffy  
Manager of Financial Planning & Policy / Deputy Treasurer

**EXECUTIVE SUMMARY**

This report provides the rationale for delegating authority to the Acting Chief Financial Officer / Treasurer in determining clawback tax percentages for decreasing properties in the Multi-Residential, Commercial and Industrial classes.

**BACKGROUND**

The Online Property Tax Analysis (OPTA) System is conducting the final audit for the City of Greater Sudbury property data. There has been a minor glitch in the programming which has resulted in a clawback of more funds (\$228 dollars) that are required in the Multi-Residential class. This problem will be rectified soon and will have very little impact on the clawback percentages.

In addition, the audit is also reviewing some of the property splits and consolidations.

The firm clawback percentages should be known by early next week and the accurate numbers will then be used for the tax billing process.

The OPTA System has not been able to meet our meeting deadline for clawback percentages, and therefore, delegation of authority to the Acting Chief Financial Officer / Treasurer to determine clawback rates is required in order to meet early tax due dates to maximize the City's cashflow position.

This action will allow the City to meet the proposed tax due dates.

The delegation of this authority to the Treasurer by Council was also granted in 2002 due to the same circumstances; that being that the final audit was not complete and it would have impacted the proposed tax due dates.

The Property Tax Policy report dated April 6, 2005 quotes the following clawback percentages:

Multi-Residential	29.2011%
Commercial	61.9897%
Industrial	59.9749%

The final clawback percentages should only change marginally as the final audit of the City's data is almost complete. Once these percentages have been determined, a report to Council will follow.



Date: April 13, 2005

**SUMMARY**

As a result of the final clawback percentages not being firm by the meeting date, it is recommended that the Finance Committee delegate authority to determine clawback percentages for the Multi-Residential, Commercial and Industrial property classes to the Acting Chief Financial Officer / Treasurer.

