

SMOKY LAKE COUNTY

A G E N D A: County Council **Budget Meeting** to be held on
Thursday, April 23rd, 2020, at 10:00A.M.,
in the County Council Chambers, Smoky Lake.

1. Meeting:

Call to Order.

2. Agenda:

Acceptance of Agenda: As presented or subject to additions and/or deletions.

3. Minutes:

None

4. Request for Decision:

4.1 Smoky Lake County: Setting the 2019 Tax Rate.

4.2 Quote for heater regarding Pot Hole Patcher

- Recommendation to fund from reserves

5. Issues for Information:

6. Correspondence:

6.1 Village of Waskatenau Rapid Attack Unit Shelter. ©

7. Delegation(s):

None

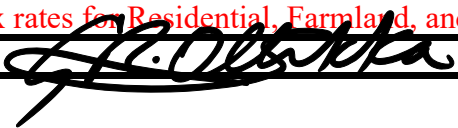
8. Executive Session:

None

Date and Time of Next Meeting:

Adjournment:



REQUEST FOR DIRECTION		DATE	April 23, 2020 4.1
TOPIC	Smoky Lake County 2020 – Taxation Rates		
PROPOSAL	<p>The 2020 budget was approved in February. Many things have changed over the past few months. The management team have reviewed the budget their activities and have identified where there may be opportunities for savings, however these savings will be offset by decrease in revenues along with additional expenses to improve our technological capabilities. We are recommending that it would be prudent to leave the budget as is to ensure that there is enough cash flow to ensure operations continue as necessary.</p> <p>An option to lower the overall budget without jeopardizing 2020 operations would be to decrease transfers to reserve this year.</p> <p>The tax rate presentation attached ©1 offers three options along with some analysis. Within each of these options, there are also opportunities to fine tune the rates among the three tax classes (Residential, Farmland, and Non Residential). During the meeting, we will go through the presentation and the options in detail on screen.</p> <p>The desired outcome of this meeting is to settle on the tax rates to be brought back in the 2020 bylaw.</p>		
CORRELATION TO BUSINESS (STRATEGIC) PLAN			
n/a			
LEGISLATIVE, BYLAW and/or POLICY IMPLICATIONS		MGA sec 242 ,243, 244, 245, 246	
BENEFITS	<ul style="list-style-type: none"> • The budget reflects services that have been identified by council • It maximizes the use of grant revenues 		
DISADVANTAGES	<ul style="list-style-type: none"> • Budget numbers are estimates only 		
ALTERNATIVES	<ul style="list-style-type: none"> • A separate tax rate can be set for small business 		
FINANCE/BUDGET IMPLICATIONS			
Operating Costs: \$Capital Costs: \$)		Budget Available: Source of Funds:	
INTERGOVERNMENTAL INVOLVEMENT/IMPLICATIONS	N/A		
COMMUNICATION STRATEGY	Once passed, the tax rates will be communicated online, through the tax stuffer, and tax notices.		
RECOMMENDATION			
Council to provide direction regarding tax rates for Residential, Farmland, and Non Residential Properties.			
CHIEF ADMINISTRATIVE OFFICER			

SMOKY LAKE COUNTY

Setting the 2020 Tax Rates



Agenda



Changes in
Taxation
Rules

Deferred
Education
Property Tax

Tax rate ratio
requirement

Review
Assessment

2019
Assessment
Changes

5 and 10
Year Trend

Proportion

Requisition
Results

Requisitions

Set the
Municipal
Tax Rates

2019 Rate
Comparison

Rate Setting

Provincial Government Changes

Deferred Non Residential Education Property Tax

- Municipalities are expected to defer the education property tax for non residential properties for 6 months from April 1 to Sept 1

- Smoky Lake County already provides its taxpayers this relief every year by delaying the requirement to pay taxes until October 31





Tax Rates

Linked Ratio Tax Rate

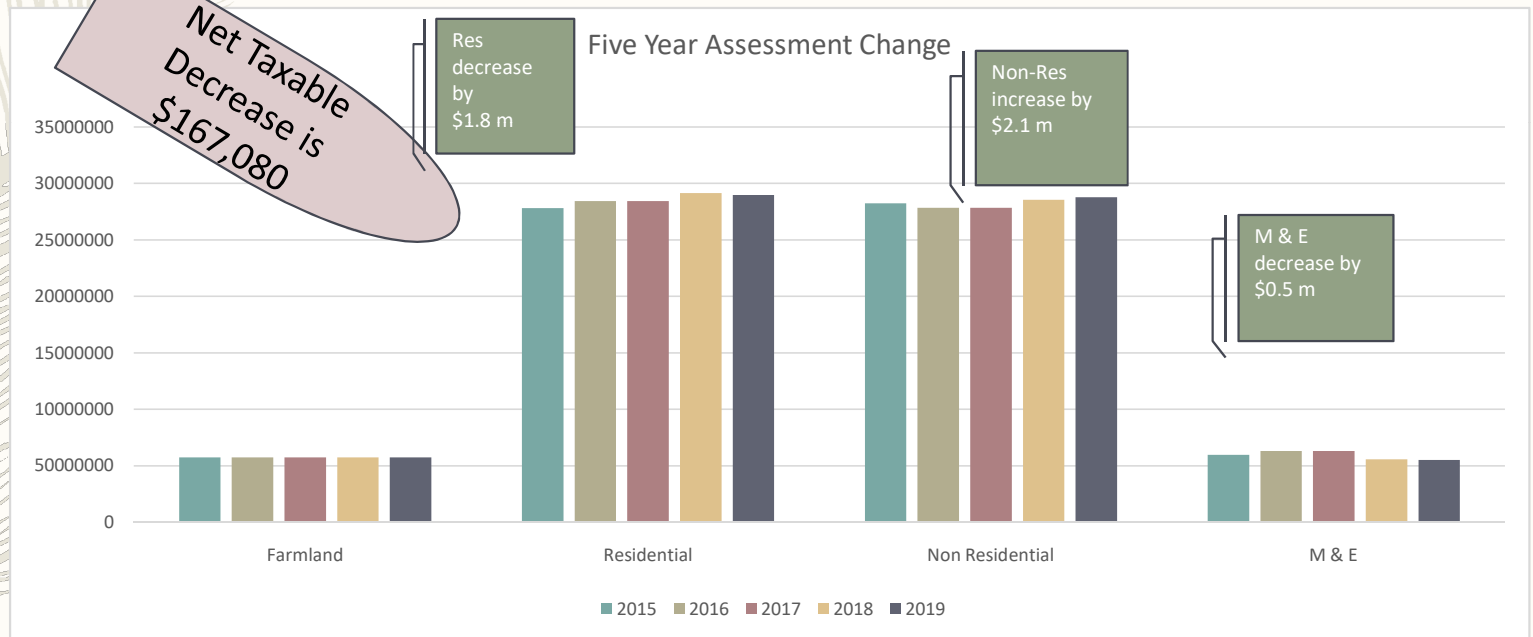
The *MMGA* set a maximum property tax rate ratio of 5:1 between the highest non-residential property tax rate and the lowest residential property tax rate.

In 2019 the total municipal portion of the Non Residential Rate was 21.46. The ratio has remained consistent at **3.8**

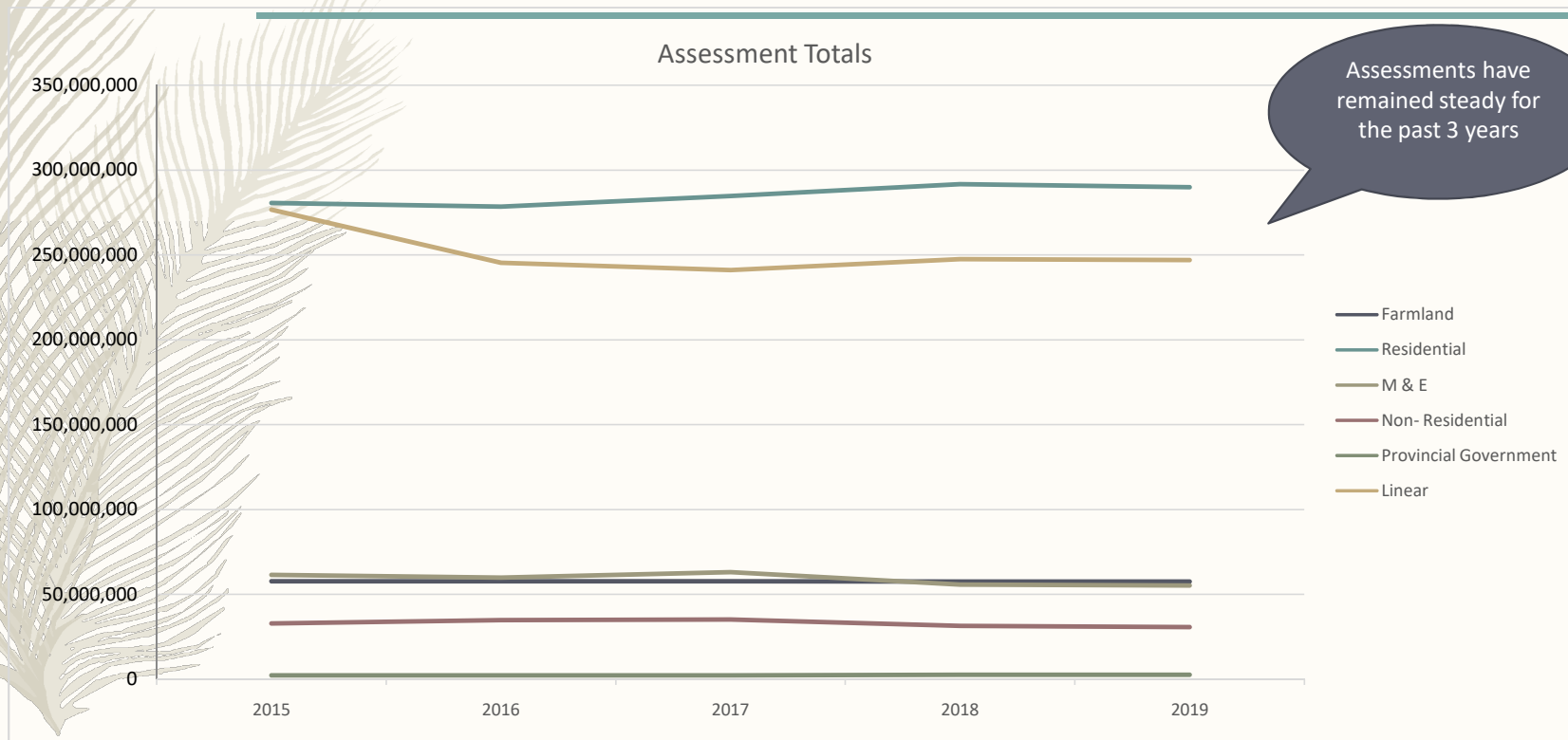
2019 ASSESSMENT



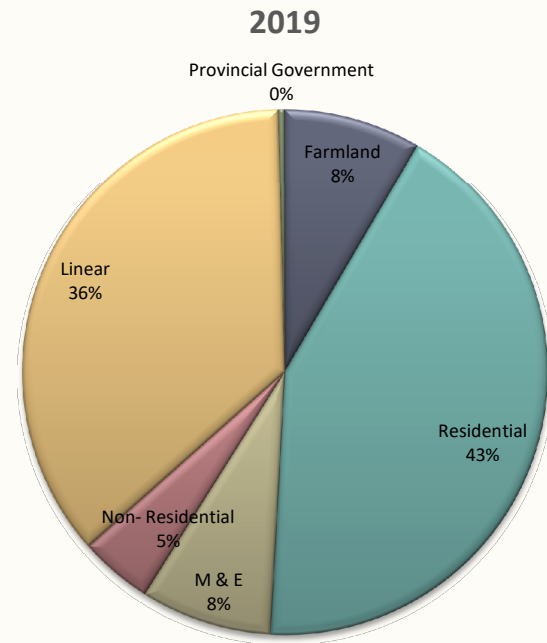
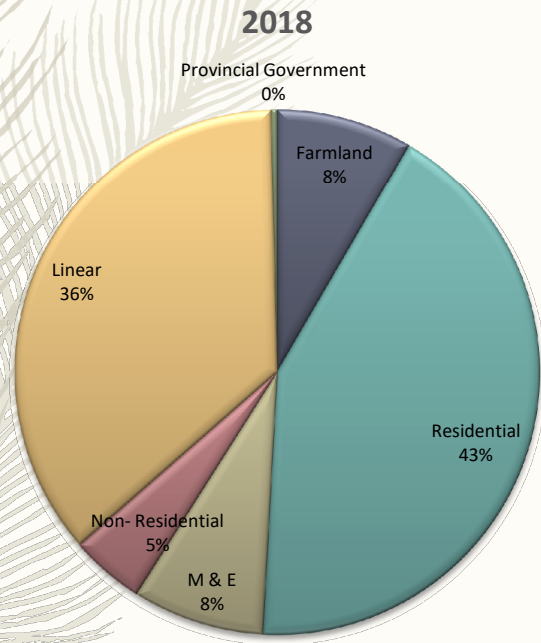
Assessment Changes



10 YEAR ASSESSMENT TREND



THE PROPORTION OF RESIDENTIAL HAS STABILIZED





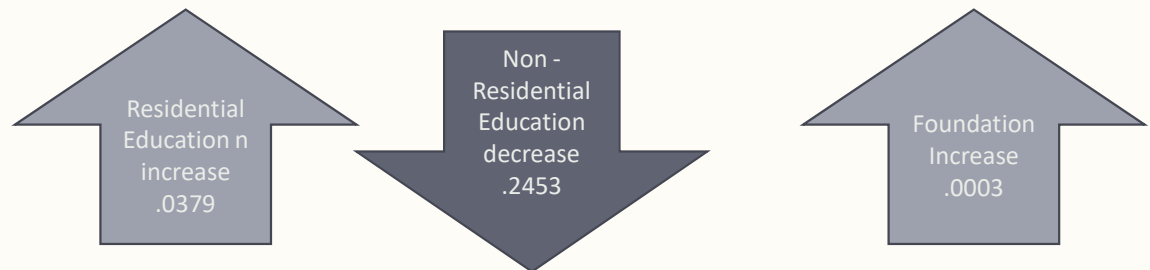
REQUISITIONS

—

Requisition Changes

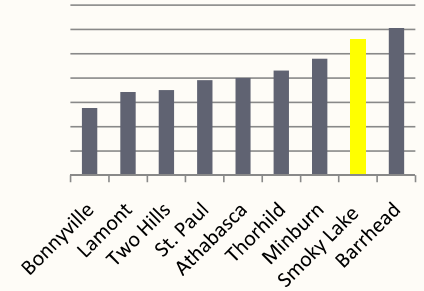
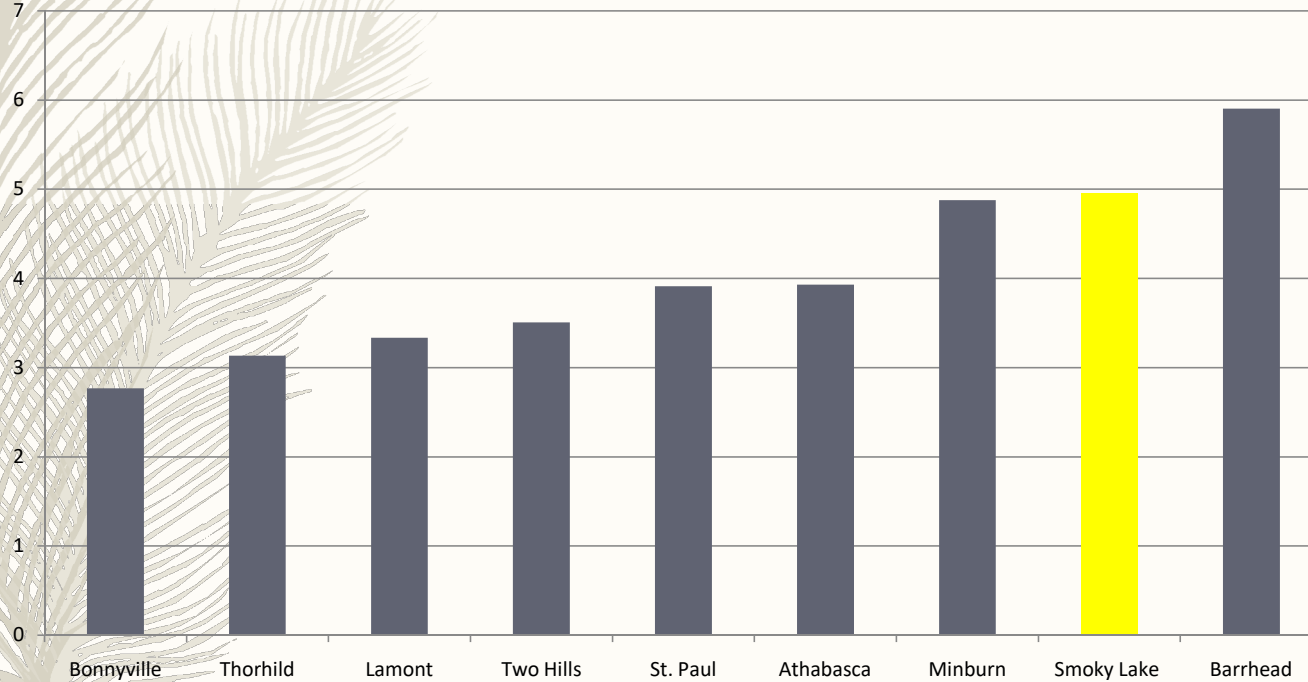
- The School Requisitions was changed to keep it the same as 2019. The net result is an increase of \$2,979. The change to each class.
- Residential Rate will be 2.6010 (2019 – 2.5631)
- Non- Residential Rate will be 3.5733 (3.8186)
- Foundation Requisitions has not been provided. We are assuming it will be the same
- 2020 Rate will be .7337 (2019 - .7334)

	2019	2020	Increase (Decrease)
School	\$ 1,917,940	\$ 1,920,918	\$2,979
Foundation	\$ 504,151	\$ 504,151	0
Designated Industrial Property	\$ 24,042	\$ 23,997	-\$45

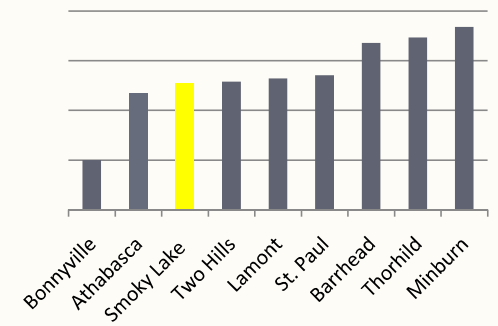
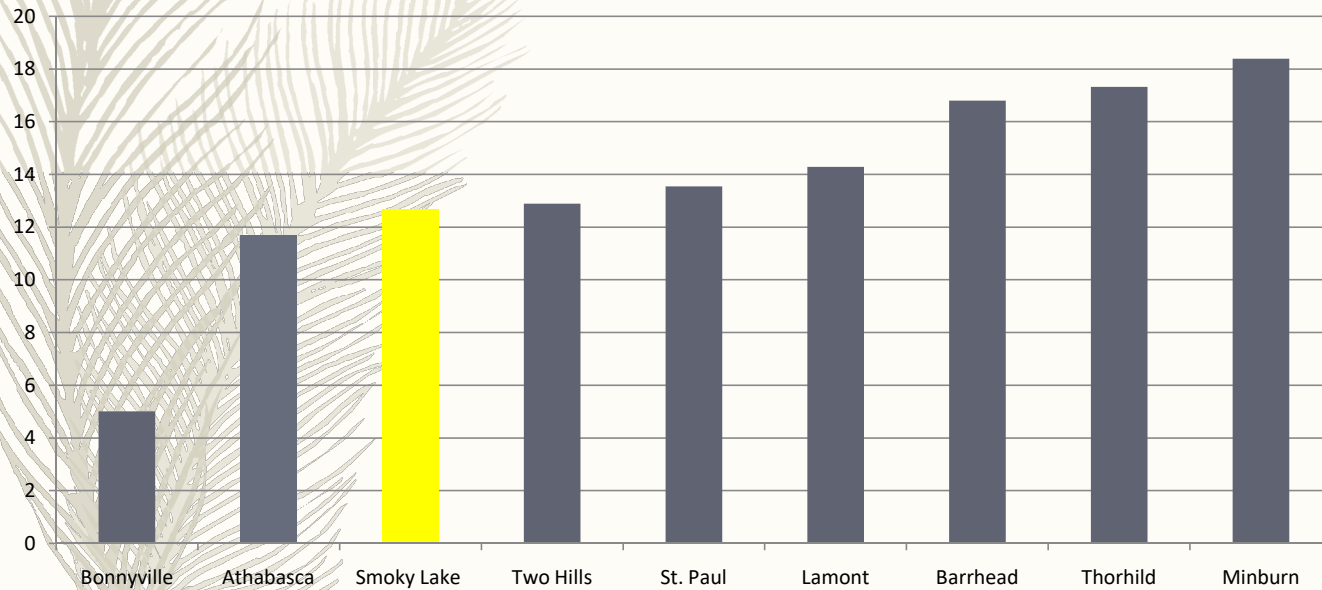


Setting the Municipal Tax Rate

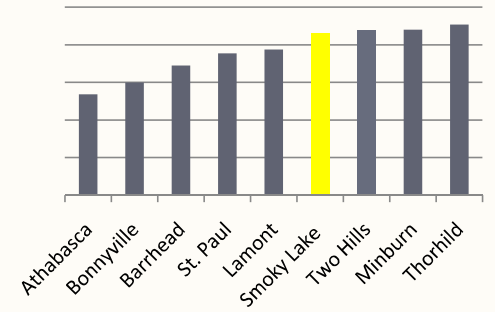
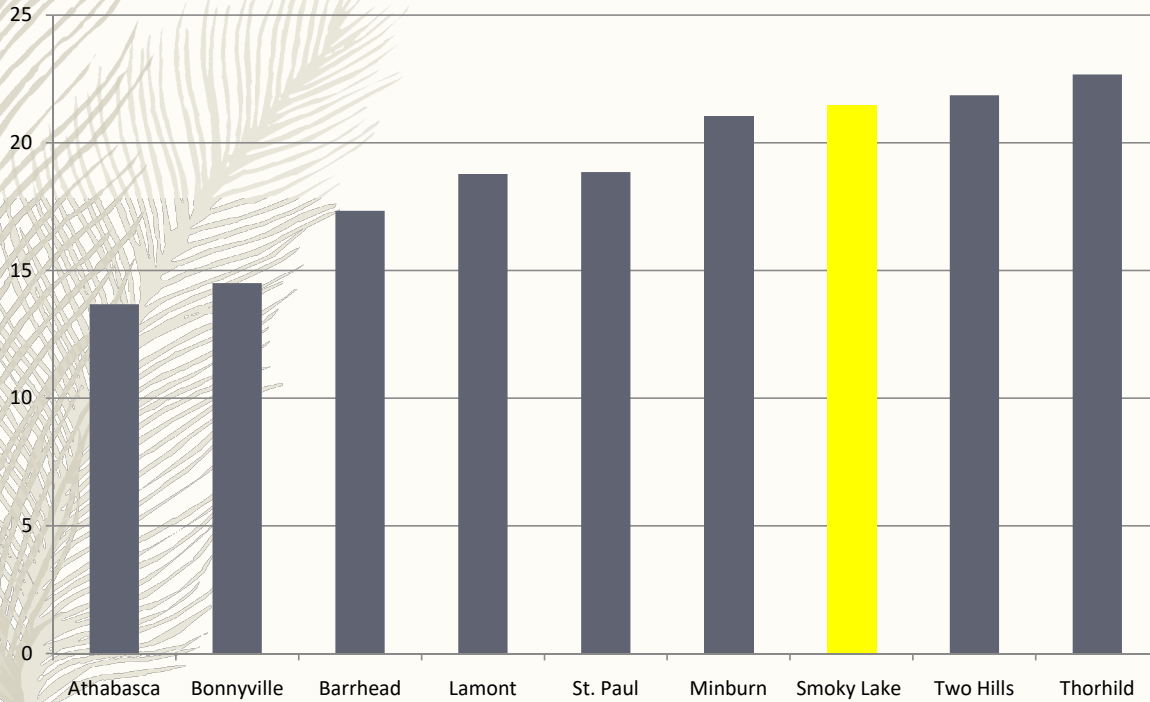
2019 Residential Tax Rates



2019 Farmland Tax Rate



2019 Non Residential Tax Rate



2020 Budget

When Council passed the 2020 budget, it contained an overall 3% increase tax revenue.

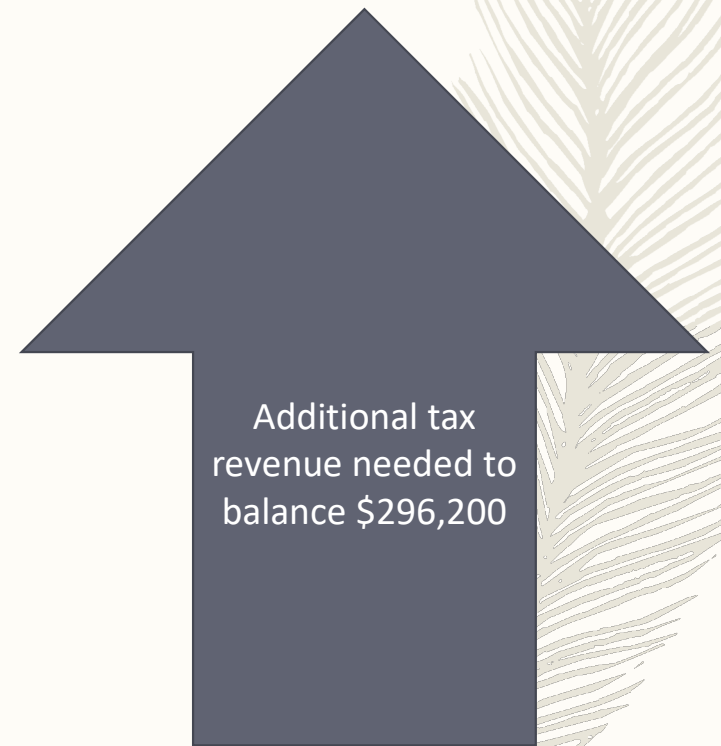
Once the requisitions are removed, tax revenue of \$10,006,474 is needed for the Smoky Lake County Budget.

The Landfill budget is \$459,392.

The fire departments cost \$648,994.

The policing cost is \$63,702

This leaves \$8,834,306 in Municipal tax revenue to be collected from the different classes (Farmland, Residential, and Non Residential).



Landfill Tax Rate



Council has traditionally levied a separate Landfill Rate.

The 2019 tax rate was .6817

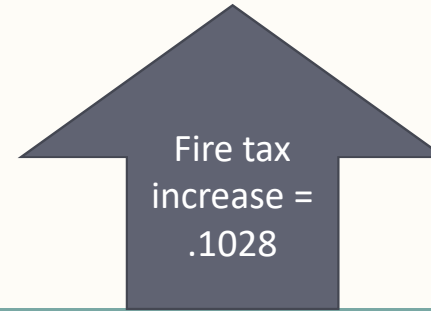
There are no capital purchases planned for 2020, therefore the budget is decreased

The 2020 levy needed is **.6652**

Revenues			\$ 53,500.00
Expenses			
	Salaries, wages and benefits	\$289,349.00	
	Contracted and general services	\$148,191.00	
	Materials, goods and utilities	\$35,352.00	
	Transfers to local boards and agencies	\$40,000.00	
			\$512,892.00
Net Cost of Operations			\$459,392.00
	Net Capital	\$0.00	
	Net Reserves	\$0.00	
Net Cost of Capital			\$0.00
<u>Tax Revenue required</u>			<u>\$459,392.00</u>



Fire Services Tax Rate



- Council has traditionally levied a separate Fire Rate.
- The 2019 tax rate was .837
- The budget has increased from \$578,170 to 648,494
- The 2020 levy needed is **.6652**

Revenues		\$ 199,334.00
Expenses		
	Salaries, wages and benefits	\$ 219,396.00
	Contracted and general services	\$ 245,119.00
	Materials, goods and utilities	<u>\$ 113,313.00</u>
		\$ 577,828.00
Net Cost of Operations		\$ 378,494.00
	Net Capital	\$ 110,000.00
	Net Reserves	<u>\$ 160,000.00</u>
Net Cost of Capital		<u>\$ 270,000.00</u>
Tax Revenue required		<u><u>\$ 648,494.00</u></u>



Policing Levy

- Effective 2020, the Alberta Provincial Government will be billing municipalities for a portion of the policing costs.
- The amount will increase each year
- **To tax this cost separately we would need set a mil rate of .0922**

– 2020	\$63,702
– 2021	\$95,621
– 2022	\$127,404
– 2023	\$191,292
– 2024	\$191,292




Municipal Tax Rate

The remaining **\$8,898,088** will need to be raised through the municipal tax rates.

This can be accomplished using various combinations of Farmland, Residential, and Non- Residential taxes.


1 mill =	Farmland	\$57,000
	Residential	\$290,000
	Non Residential	\$343,000

Options

- 
- In order to keep the tax rate (excluding requisitions) the same as last year, the total revenue would be short by **\$296,200**

Three Options

- 1. Increase tax rate**
 - An increase of .4286 for each class would provide **\$296,200**
 - Different increases for different classes
- 2. Adjust budget to keep tax rate the same as 2019**
 - Administration recommends that the \$540,000 budgeted transfers to reserves could be reduced by **\$296,200**
- 3. A combination of budget adjustment and tax rate increase to keep the total tax revenue the same as 2019**
 - Administration recommends that the \$540,000 budgeted transfers to reserves could be reduced by **\$268,135**
 - An increase of .0406 would provide the same total tax revenue as 2019



How do the
options affect
property
owners

?????

OPTION 1

Increase tax rate to meet budget needs

TAX RATES

CLASS	MUN RATE	TOTAL RATE
Residential	4.4082	9.3479
Farmland	11.5082	16.4479
Non Residential	20.2882	26.2002
M & E	20.2882	22.6269

AVERAGE CHANGE

	Farm	Res	Non Res	M & E
Rate	16.4479	9.3479	26.2002	22.6269
Parcels	4,261	2,160	499	187
Avg Assessment	\$13,318	\$135,012	\$62,781	\$298,107
Avg Tax per parcel	\$219.06	\$1262.08	\$1644.87	\$6745.25
Avg increase	\$5.92	\$64.69	\$141.11	\$526.90

OPTION 2

Adjust budget to keep tax rate the same

TAX RATES

CLASS	MUN RATE	TOTAL RATE
Residential	3.9796	8.9193
Farmland	11.0796	16.0193
Non Residential	19.8596	25.7716
M & E	19.8596	22.1983

AVERAGE CHANGE

	Farm	Res	Non Res	M & E
Rate	16.0193	8.9193	25.7716	22.1983
Parcels	4,261	2,160	499	187
Avg Assessment	\$13,318	\$135,012	\$62,781	\$298,107
Avg Tax per parcel	\$213.35	\$1,204.21	\$1,617.97	\$6,617.48
Avg increase	\$0.21	\$6.82	\$114.20	\$399.13

OPTION 3

A combination of budget adjustment and tax rate increase to keep the total tax revenue the same as 2019

TAX RATES

CLASS	MUN RATE	TOTAL RATE
Residential	3.5733	8.9533
Farmland	11.1136	16.0533
Non Residential	19.8936	25.8056
M & E	19.8936	22.2323

AVERAGE CHANGE

	Farm	Res	Non Res	M & E
Rate	16.0533	8.9533	25.8056	22.2323
Parcels	4,261	2,160	499	187
Avg Assessment	\$13,318	\$135,012	\$62,781	\$298,107
Avg Tax per parcel	\$213.80	\$1,208.80	\$1,620.10	\$6,627.61
Avg increase	\$0.66	\$11.41	\$116.34	\$409.26

**We can review
different rate options
and view the real-
time results on screen**



**** A.Amyotte & Son Welding Ltd. ****

4.2

Box 96
 Mallaig AB T0A 2K0
 Phone: (780) 635-3880 Ext. Fax: (780) 635-3003
 awelding@amyotteweld.ca

Quote

DATE March 30, 2020
 NUMBER Q000003345
 CUSTOMER NO. 563730

BILL TO:
 Smoky Lake County
 4612 McDougall Dr.
 PO Box 310
 Smoky Lake AB T0A 3C0

SHIP TO:
 BURNER

(866) 656-3730 Ext.

P.O. NUMBER	SALESPERSON	QUOTE DATE	REQ. DATE	ORDER NUMBER
	0000000003	30-Mar-20		Q000003345
F.O.B.	SHIP VIA	TERMS		
Mallaig	Best way			
PART NUMBER	UOM	QUANTITY	UNIT	EXTENDED
DESCRIPTION		REQ.	PRICE	PRICE
MISC ESTIMATED PRICE TO SUPPLY (1) 12 V BECKETT OIL BURNER MOUNTED ON POT HOLE PATCHER C/W INSULATED SIDE PANELS, METAL FALSE FLOOR, 6" STAINLESS STEEL BURNER TUBE, 110 V CONVERTER TO 12 V FOR BURNER USE IN YARD FOR OVERNIGHT PRE-HEATING, ALSO TO ADD ROLL-UP TARP & WALKWAY ON DRIVER'S SIDE FOR TARP CLOSING & DIESEL SPRAYING INSIDE FEEDER	EA	1	9,000.00000	9,000.00
NET AMOUNT				9,000.00
FREIGHT				
G.S.T.				450.00
P.S.T.				
TOTAL DUE				\$9,450.00

Business Number 10000 2922 RT

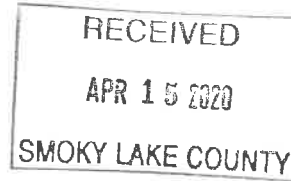


VILLAGE OF WASKATENAU

Box 99, Waskatenau, Alberta T0A 3P0

Phone: (780) 358-2208
 Fax: (780) 358-2208
 Email: waskvillage@mcsnet.ca
 Website: www.waskatenau.ca

April 7, 2020



Smoky Lake County
 Box 310
 Smoky Lake, Alberta
 T0A 3C0

Attention: Cory Ollikka

Re: Village of Waskatenau Rapid Attack Unit Shelter

The Village of Waskatenau wishes to request assistance from the Smoky Lake County to help cost share 50/50% with the Village of Waskatenau expenses for the construction of a new Shelter for the Waskatenau Fire Department Rapid Attack Unit. The Village of Waskatenau obtained a cost estimate for the Shelter in the amount of \$30,000.00.

We would appreciate your consideration with helping our municipality with this project and look forward to hearing from you in the near future.

Thank you

Bernice Macyk, CAO
 Village of Waskatenau

/bm