

SMOKY LAKE COUNTY

Minutes of the **County Council Budget meeting** held on Thursday, **April 23, 2020** at 10:00 A.M. in the County Council Chambers.

The meeting was called to Order by the Reeve, Mr. Craig Lukinuk in the presence of the following persons:

ATTENDANCE		
<u>Thursday, April 23, 2020</u>		
<u>Div. No.</u>	<u>Councillor(s)</u>	
1	Dan Gawalko	Virtually Present
2	Johnny Cherniwchan	Virtually Present
3	Craig Lukinuk	Virtually Present
4	Lorne Halisky	Virtually Present
5	Randy Orichowski	Virtually Present
CAO	Cory Ollikka	Virtually Present
Asst. CAO	Lydia Cielin	Virtually Present
Finance Manager	Brenda Adamson	Virtually Present
Legislative Svcs/R.S.	Patti Priest	Virtually Present

Members of Administrative Staff in attendance:

Doug Ponich – Public Works Manager	Virtually Present
Dave Kully – Public Works Shop Foreman	Virtually Present
Bob Novosiwsky – Public Works Foreman	Absent
Trevor Tychkowsky – Safety Officer	Virtually Present
Ed English – Peace Officer/Rec. Manager	Virtually Present
Jordan Ruegg, Planning & Dev. Manager	Virtually Present
Kyle Schole, Planning & Dev. Assistant	Virtually Present
Carleigh McMullin – Ag. Fieldman	Virtually Present
Evonne Zukiwsky – Communications Tech.	Virtually Present
Carole Dowhaniuk – GIS Tech.	Virtually Present
Scott Franchuk – Fire Chief	Virtually Present @ 10:07am
Dave Franchuk – Env. Operations Manager	Virtually Present
Daniel Moric –Natural Gas Manager	Virtually Present

No Members of the Media were in attendance.
No Member of the Public was in attendance.

2. Agenda:

698-20: Orichowski That the Smoky Lake County Council Budget Meeting Agenda for Thursday April 23, 2020 be adopted, as presented.

Carried Unanimously.

3. Minutes:

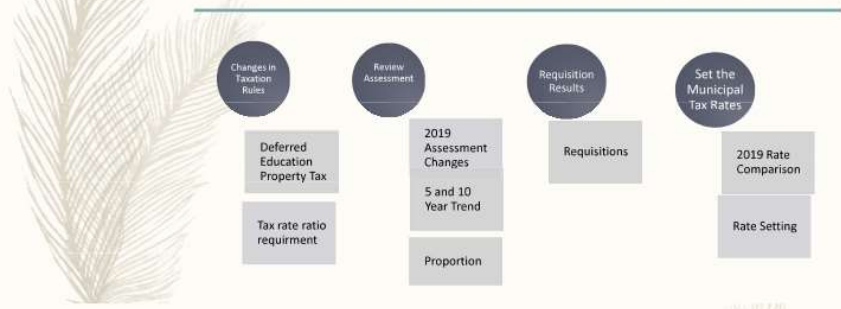
No Minutes.

4. Request for Decision:

Smoky Lake County: Setting the 2020 Tax Rate.



Agenda



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.

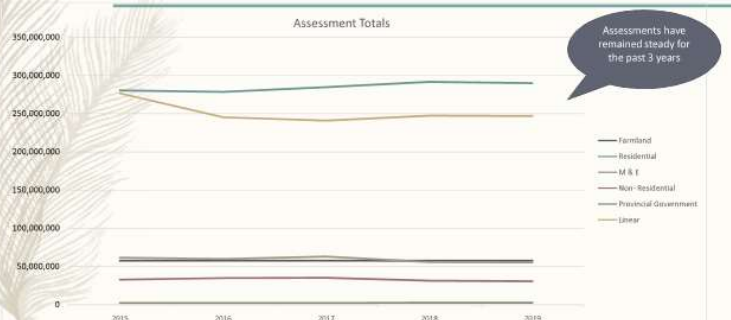
In 2019 the total municipal portion of the Non Residential Rate was 21.46. The ratio has remained consistent at 3.8

2019 ASSESSMENT

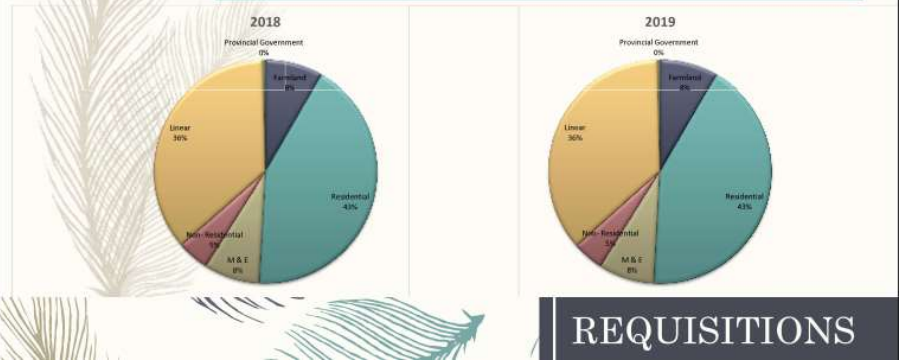
Assessment Changes



10 YEAR ASSESSMENT TREND



THE PROPORTION OF RESIDENTIAL HAS STABILIZED



REQUISITIONS

Requisition Changes

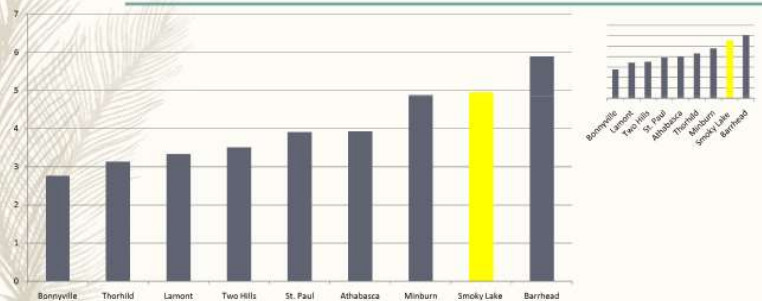
- The School Requisitions was changed to keep it the same as 2019. The net result is an increase of \$2,979. The change to each class.
- Residential Rate will be 2.6010 (2019 - 2.5631)
- Non-Residential Rate will be 3.5733 (3.6186)
- Foundation Requisitions has not been provided. We are assuming it will 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

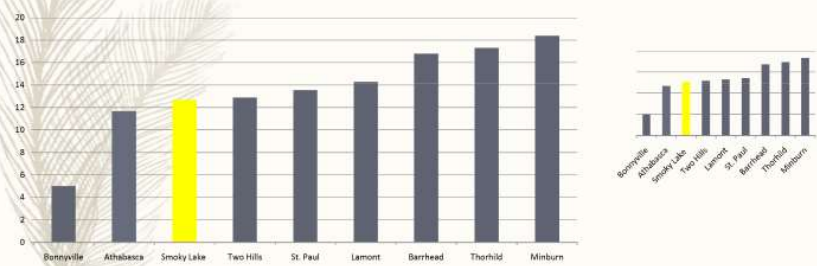


Setting the Municipal Tax Rate

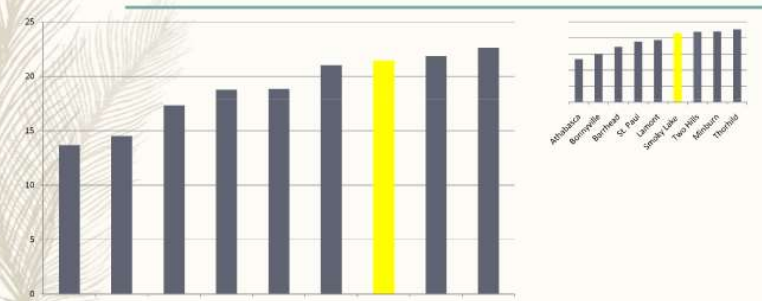
2019 Residential Tax Rates



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
Tax Revenue required		\$459,392.00

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		\$ 109,334.00
Expenses		
	Salaries, wages and benefits	\$ 219,396.00
	Contracted and general services	\$ 245,119.00
	Materials, goods and utilities	\$ 113,313.00
		\$ 577,828.00
Net Cost of Operations		\$ 378,494.00
	Net Capital	\$ 110,000.00
	Net Reserves	\$ 160,000.00
Net Cost of Capital		\$ 270,000.00
Tax Revenue required		\$ 648,494.00

Policing Levy

- Effective 2020, the Alberta Provincial Government will be billing municipalities for a portion of the policing costs.	- 2020	\$63,702
	- 2021	\$95,621
	- 2022	\$127,404
	- 2023	\$191,292
	- 2024	\$191,292

- To tax this cost separately we would need set a mil rate of .0922

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

Three Options

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

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



Smoky Lake County: Setting the 2020 Tax Rate.

699-20: Gawalko

That Smoky Lake County administration proceed with preparing a 2020 Tax Rate Bylaw based on a combination of budget adjustment and a municipal tax rate increase in the amount of .05000; and, bring forward the said bylaw to the next scheduled County Council Budget Meeting.

Carried.

Equipment Purchase - Oil Burner Attachment for the Asphalt Patcher Box Unit 160

700-20: Orichowski That Smoky Lake County Council approve the unbudgeted expenditure to purchase a 12 Volt Beckett Oil Burner attachment for Unit 160: Asphalt Patcher Box, as per the quote #Q000003345, dated March 30, 2020, received from A.Amyotte & Son Welding Ltd., of Mallaig, in the amount of \$9,000.00 plus GST; and administration arrange to view and research St. Paul County No.19's Pothole Patcher Units' mixer mechanism for information.

Carried.

8. Executive Session:

No Executive Session.

6. Correspondence:

Waskatenau Fire Department's Rapid Attack Unit Shelter

701-20: Orichowski That Smoky Lake County approve the concept of financially assisting the Village of Waskatenau with the Project: Waskatenau Fire Department's Rapid Attack Unit Shelter, at an estimated total project cost in the amount of \$30,000.00 with a cost-share of 50/50 subject to the Village of Waskatenau providing three (3) quotes for the said project and upon Smoky Lake County receiving approval notice of grant funding in August 2020 for the grant application submitted by Smoky Lake County on March 30, 2020 to the Farm Credit Canada (FCC) AgriSpirit Fund in the amount of \$25,000.00 for the said project; in response to the letter received from Bernice Macyk, Chief administrative Officer, Village of Waskatenau, dated April 7, 2020.

Carried.

Next Meeting:

702-20: Halisky That the next Smoky Lake County Council Budget Meeting be scheduled for **Tuesday, May 5, 2020 at 10:00 a.m.** to be held virtually through Electronic Communication Technology as posted on the County Website.

Carried.

Adjournment:

703-20: Lukinuk That the Smoky Lake County Council Budget Meeting of April 23, 2020, be adjourned, time 12:03 p.m.

Carried.

REEVE

S E A L

CHIEF ADMINISTRATIVE OFFICER