

SMOKY LAKE COUNTY

A G E N D A: County Council Budget Meeting to be held on
Friday, April 16th, 2021, at 9:00 A.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 Minimum Tax

4.2 Amended Total Function Budget

4.3 Request for Direction – Smoky Lake County Taxation Rates

5. Issues for Information:

None

6. Correspondence:

None

7. Delegation(s):

None

8. Executive Session:

None

9. Date and Time of Next Meeting:

Adjournment:



REQUEST FOR DECISION		DATE	April 16, 2021
			4.1
TOPIC	Minimum Tax		
PROPOSAL	<p>Council has discussed changing the minimum tax rate. We have looked at three examples \$50, \$100, and \$500 per parcel.</p> <p>\$50 Currently we charge a minimum tax rate of \$50.00 on farmland . Annually, this provides \$17,000 in additional revenue. The minimum tax must be the same for all classes. If no change is made, the \$50.00 would be charged to approximately 700 farmland and 80 residential parcels this year. The extra charge on the residential properties will provide \$12,000 more tax revenue.</p> <p>\$100 Increasing the minimum tax levy to \$100 would affect twice as many farmland parcels (1500) , 110 nonresidential parcels and 144 residential. We estimate that this would provide an increase of \$112,000 in tax revenue.</p> <p>\$500 A minimum tax levy of \$500 would affect 3,200 farm parcels, 250 non residential and 530 residential parcels. This would result in an increase of \$1,600,000 in tax revenue.</p> <p>The assessment costs per parcel are \$19.00. In addition, there are paper, printing and mailing costs incurred no matter how low or high the assessment is.</p> <p>Some examples of neighbouring Municipalities:</p> <ul style="list-style-type: none"> • St Paul County \$25.00 • County of Two Hills \$250.00 • Lamont County \$100.00 • Thorhild County - none <p>Our recommendation is to keep the minimum tax to \$50.00 for 2021. This year will be the first year the minimum tax rate will include non residential and residential properties. Responses can be monitored, and Council can consider increases in future years.</p>		
CORRELATION TO BUSINESS (STRATEGIC) PLAN			
LEGISLATIVE, BYLAW and/or POLICY IMPLICATIONS		MGA 357 (1) Despite anything in this Division, the property tax bylaw may specify a minimum amount payable as property tax.	
BENEFITS	<ul style="list-style-type: none"> • Covers basic costs of assessing, creating, and mailing notices 		

	<ul style="list-style-type: none"> • Can provide a disincentive to hold land just for speculation purposes
DISADVANTAGES	<ul style="list-style-type: none"> • A higher minimum tax may result in substantial increases on farmland properties. • If the minimum rate is too high in relation to the market value, property owners may stop paying taxes. The county incurs a risk of taking over lots in hamlets that are not likely to sell. • A substantial change may result in unintended consequences
ALTERNATIVES	<ul style="list-style-type: none"> • Remove the minimum tax • Change the amount
FINANCE/BUDGET IMPLICATIONS	
Operating Costs: \$ <u> N/A </u>	Capital Costs: \$ <u> N/A </u>
Budget Available: \$ <u> </u>	
Revenue from other sources	General Taxation Revenue \$
INTERGOVERNMENTAL INVOLVEMENT/IMPLICATIONS	
COMMUNICATION STRATEGY	
RECOMMENDATION	
<p>Council direct administration to include a minimum tax rate of \$50.00 in the 2021 Property Tax Bylaw.</p>	
CHIEF ADMINISTRATIVE OFFICER	



REQUEST FOR DECISION	DATE	April 16,2021	4.2
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TOPIC	2021 – Amended Total Function Budget
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PROPOSAL	<p>The Interim budget was passed in January. Year end is complete, and we have received notification regarding grants available. The proposed final budget includes changes to reflect capital projects carried forward, grant changes, and the finalization of other costs. The changes are listed:</p>				
	Operations	Road	Bridge	Capital	2021 PROPOSED BUDGET
NET Cash Deficit Presented December	1,547,750	-	-200,000	-786,000	0
Increase Total Property Tax Revenue					0
Decrease in contribution to RCDC	2,804				2,804
Warspite and Pakan Emergency Boat Launch Carried forward				-38,000	-38,000
Transfer from reserves for 2020 projects carried forward				121,213	121,213
PW crew truck carried forward				-40,000	-40,000
Nuisance Ground reclamation carried forward				-93,213	-93,213
Grants for projects carried forward				50,000	50,000
Covid grant spent in 2021	163,218				163,218
Increase budget re: Covid Costs	-44,343				-44,343
Correct FGT grant		28,000		57,000	85,000
NET Cash Deficit	1,669,429	-	-200,000	-729,000	206,679

	<p>Attached is the updated budget summary 4.3a. It summarizes the major and minor cost categories across the organization, compares the 2020 budget to the proposed 2021 budget, and provides explanations to the changes proposed.</p> <p>This budget is based on Council setting the tax rates to achieve the total tax revenue that was originally budgeted. Before making final budget decisions, Administration recommends that Council discuss 4.3 setting the 2021 tax rate.</p>
CORRELATION TO BUSINESS (STRATEGIC) PLAN	
n/a	
LEGISLATIVE, BYLAW and/or POLICY IMPLICATIONS	
BENEFITS	<ul style="list-style-type: none"> • Management and staff will be able to proceed with services • The budget reflects the same level of services offered in 2020 • It maximizes the use of grant revenues • Expenses have been reviewed by line item and where possible, savings and cuts in spending were identified.
DISADVANTAGES	<ul style="list-style-type: none"> • Budget numbers are estimates only
ALTERNATIVES	
FINANCE/BUDGET IMPLICATIONS	
Operating Costs:	
Source of Funds:	
INTERGOVERNMENTAL INVOLVEMENT/IMPLICATIONS	N/A
COMMUNICATION STRATEGY	The budget will be posted online and will be incorporated into the 2021-2025 financial plan.
RECOMMENDATION	
That Council defer the final 2021 budget to a further meeting.	
CHIEF ADMINISTRATIVE OFFICER	

**Smoky Lake County
2021 Budget**

		Operations	Road	Bridge	Capital	2021 PROPOSED BUDGET	2020 PASSED BUDGET	Increase (Decrease)	Notes
REVENUE									
Taxes	Farmland & Residential	3,652,581				3,652,581	3,599,204	1.5%	
	Machinery & Equipment	1,251,618				1,251,618	1,272,025	-1.6%	
	Non- Residential	975,511				975,511	951,200	2.6%	(1)
	Linear	6,481,740				6,481,740	6,618,425	-2.1%	
	Provincial Government	68,672				68,672	67,650	1.5%	
	Aggregate Tax Levy	200,000				200,000	200,000	0.0%	(2)
	Sewer Levy	9,040				9,040	8,800	2.7%	
Other Income	Well Drilling/ drill Rigs	5,305				5,305	5,305	0.0%	
	Penalties	74,095				74,095	74,095	0.0%	
	User Fees and Sales of Goods	940,563				940,563	999,729	-5.9%	(3)
	Investment Income	285,100				285,100	356,312	-20.0%	(4)
	Development Levies	32,000				32,000	27,500	16.4%	
	Licenses and Permits	30,000				30,000	27,000	11.1%	
Sales to Other Governments		105,344				105,344	108,190	-2.6%	
Grants	Provincial Conditional - Operating	498,433				498,433	373,308	33.5%	(5)
	CLC	125,700				125,700	125,700	0.0%	
	Transfer from Reserves for Operations	1,659,000				1,659,000	500,000	231.8%	(6)
TOTAL REVENUE		16,394,702	0	0	0	16,394,702	15,314,443	7.1%	
EXPENSE									
Salaries, wages and benefits									
	Salaries	5,713,115	70,463			5,783,578	5,680,425	2%	(7)
	Benefits	1,125,075				1,125,075	1,087,615	3%	
	WCB	75,000				75,000	55,000	36%	(8)
	ELECTION FEES	18,900				18,900	1,000	1790%	
Contracted and general services									
	MILEAGE	52,264				52,264	59,455	-12%	
	MEALS & LODGINGS	98,655				98,655	115,370	-14%	
	INDIV MEMBERSHIP & CONF FEES	59,000				59,000	65,905	-10%	(9)
	FREIGHT, EXPRESS, POSTAGE	35,910				35,910	35,500	1%	
	TELEPHONE, COMMUNICATION	65,808				65,808	61,602	7%	
	TRAINING	122,840				122,840	123,371	0%	
	ADVERTISING, PRINTING, SUBSC	113,048				113,048	108,230	4%	(10)
	ACCOUNTING & AUDITING	28,560				28,560	28,000	2%	
	LEGAL FEES	16,300				16,300	16,000	2%	(11)
	ASSESSOR FEES	139,000				139,000	142,000	-2%	
	ENGINEERING	50,000		60,000		110,000	115,000	-4%	
	OTHER CONSULTING	97,947				97,947	184,750	-47%	(12)
	COMPUTERS-CONTRAC REPAIR	152,731				152,731	177,430	-14%	(13)
	INSURANCE	221,687				221,687	227,200	-2%	(14)
	MISC SERVICES	768,507	190,000	140,000		1,098,507	831,479	32%	(15)
Materials, goods and utilities									
	OFFICE/FOOD/JANITORIAL SUPPLIE	92,528				92,528	85,972	8%	(16)
	FUEL/PARTS/ETC	947,038	813,778			1,760,816	1,453,686	21%	(17)
	GRAVEL	0	818,759			818,759	911,858	-10%	(18)
	CHEMICALS	80,400				80,400	110,500	-27%	(19)
	COMPUTER SUPPLIES	61,186				61,186	66,700	-8%	(13)
	UTILITIES	171,879				171,879	165,434	4%	
	EMPLOYEE RECOGNITION	24,120				24,120	24,000	1%	(21)
	OTHER GENERAL SUPPLIES	167,487				167,487	158,941	5%	(22)
Transfers to local boards and agencies		1,493,138				1,493,138	428,555	248%	(23)
Bank charges and short term interest		6,150				6,150	5,850	5%	
Transfers to reserve		227,000				227,000	281,739	-19%	(24)
Requisitions		2,500,000				2,500,000	2,502,030	0%	
contingency		0				0	31,360	-100%	(25)
Ammortization		2,059,800				2,059,800	2,064,786	0%	
TOTAL EXPENSE		16,785,073	1,893,000	200,000	0	18,878,073	17,406,743	8%	
TOTAL OPERATIONS		-390,371	-1,893,000	-200,000	0	-2,483,371	-2,092,300		
Add back ammortization		2,059,800	0	0	0	2,059,800	2,064,786		
TOTAL OPERATIONS		1,669,429	-1,893,000	-200,000	0	-423,571	-27,514		
CAPTIAL REVENUE									
	SALE OF CAPITAL ASSETS				205,000	205,000	0		(26)
	Provincial Conditional - Capital	1,194,250		602,000	1,407,000	3,203,250	844,250	279%	(27)
	TRANSFER FROM CAPITAL RESERVE	165,000		0	1,097,713	1,262,713	377,264	235%	(28)
CAPITAL FUNDING		1,359,250	602,000	2,709,713	4,670,963	4,670,963	1,221,514		
CAPITAL EXPENSES									
	BUILDINGS/LAND			0	1,138,000	1,138,000	367,000		
	RESERVES			0	0	0	540,000		(29)
	LAND IMPROVEMENTS			0	151,213	151,213	0		
	ENGINEERING STRUCTURES			602,000	57,000	659,000	0		
	EQUIPMENT			0	1,722,500	1,722,500	120,000		
	VEHICLES			0	370,000	370,000	167,000		
TOTAL CAPITAL EXPENSE		0	602,000	3,438,713	4,040,713	4,040,713	1,194,000	196%	
TOTAL CAPITAL		1,359,250	0	-729,000	630,250	630,250	27,514		(30)
NET Cash Deficit (Surplus)		1,669,429	-533,750	-200,000	-729,000	206,679	0		

**Smoky Lake County
Notes to the 2021 Budget**

1) Taxes

Based on overall 1.5% change to tax revenue

2) Aggregate Tax Levy

Annually we estimate a minimum of \$200,000 which is transferred to reserves for future haul road projects

3) User Fees and Sales of Goods

There has been a decreasing trend in Transportation User Fees (gravel sales, custom work, etc.), as well as . As a result, the budgeted user fees will be lower by approximately \$60,000.

4) Investment Income

Interest is earned on funds in ATB. In 2020 the shares of CCI were sold therefore there will no longer be interest or dividend revenue. The expectation is that interest rates will remain very low throughout the next year resulting in a total decline of investment revenue in the amount of \$70,000

5) Provincial Conditional - Operating

a) Smoky Lake County receives operating grants for Agricultural Services, Family and Community Social Services, Community Adult Learning as well as a Municipal Sustainability Operating Grant. In 2020 the Agricultural Services Grant was reduced by approximately \$40,000

b) Included in the updated budget is \$163,218 revenue for the Municipal Operating Support Transfer for Covid costs

6) Transfer from Operating Reserves

The estimated surplus for 2020 is \$500,000. The budget includes this transfer. \$600,000 will be transferred from reserves to fund the investment in the Smoky Lake Tourism Project and \$445,000 to contribute to the new school build. \$114,000 will be transferred from reserve to fund the rental of a garbage truck.

7) Salaries and Wages

The increase in Salaries and Wages has been limited to \$102,000

The budgeted Cost of Living increase for 2021 is:

IOE 955	0 (pending negotiations)
CUPE/Non Union staff and managers	\$.55 per hour
Council	Council has budgeted no wage increase for 2021

The budget includes incremental increases

Staffing Highlights:

Public Works

Shop succession plan - includes full time Apprenticeship Heavy Duty Technician in anticipation of Shop Foreman retirement

Office succession plan - includes \$14,000 for a casual or temporary scale shack operator

Environmental Services

Landfill wages have been reduced to reflect winter hours

8) Benefits

2021 benefits reflect inflation increases and increases associated with salary increases
LAPP contribution requirements remain the same
CPP Contribution rates increase to 5.45% from 5.25% . EI rates do not change.
WCB has increased over the past 2 years as a result of increases in wages and contract payments

9) Mileage, Meals and Lodging, Membership Fees, Freight, Express, Postage, Telephone, Training

There will be training, meals and mileage costs for the 2021 election
Council reduced their budget for conferences and training by \$31,000
The budget for conferences and training for County departments has been kept the same to ensure funds are available when in person conferences resume
To offset the increase in postage costs, the finance department will be making payments via EFT as much as possible starting in 2021

10) Advertising

Advertising costs continue to increase. This budget includes the large grapevine add as well as advertising required for the legislated plans, and the election
Advertising includes ASB extension work (LARA).

11) Auditing/ Legal/Assessor/Engineering Fees

We have reduced professional fees to more closely reflect actual agreements

12) Other Consulting

Other Consulting includes consulting work for strategic plans, planning plans and bylaws, and GIS management. There are no large projects planned for 2021 that will require consulting, reducing the budget by \$80,000

13) Computer - Software and hardware

This includes all the computer licensing, purchases, toner and office equipment repairs and maintenance.

Upgrades to our strategic planning software and website took place in 2020. These were one time costs therefore the 2021 budget is reduced

A proposal to change finance software in 2021 and 2022 is included in the capital budget but will not affect operations until 2022 or 2023

14) Insurance

Insurance increases in 2020 were not as high as expected, therefore we are able to decrease the budget for 2021 by \$8,000

15) Misc. Services

Misc. Services includes Equipment/Building Rentals, All outsourced repairs and maintenance (equipment/building/vehicle), license and permits, etc. Repair costs are expected to increase as a result of aging vehicles and equipment.

Includes \$114,000 to lease garbage truck for 12 months.

The budget of \$76,000 for Dr recruitment and retention has been removed for 2021

This includes a contract services for road construction included in the road plan \$190,000

It also includes the policing levy which will increase by \$31,000

2020	\$63,702	2023	\$191,242
2021	\$95,621	2024	\$191,242
2022	\$127,404		

16) Office/Food/Janitor Supplies

Management has reviewed these costs and has committed to keeping costs the same in spite of inflation. The increase of approximately \$5,000 is for the beaver program

17) Fuel/Parts/Etc.

Parts will increase as repairs on older vehicles and equipment increase.

This includes the budget asphalt/oil/ sealant used on the roads which increases by approximately \$200,000 for planned road projects

18) Gravel

The road plan will use approx. \$100,000 less gravel in 2021

19) Chemicals

The actual increase in chemical required for 2020 was lower than expected and there is inventory left that will be used in 2021. This will result in a budgeted decrease of \$30,000

20) Utilities

Electricity has increased and the carbon levy increases the cost of natural gas

21) Employee Recognition

The budget for County employee recognition will remain the same. A small increase has been budgeted for services recognition for Fire Department Volunteers

22) Other General Supplies

Other General Supplies includes the purchase of water along with small misc. supplies required. As sales volumes continue to increase, volumes purchased increases. Other supply budgets have been increased to reflect inflation

23) Transfers to local boards and agencies

We have some substantial projects that Smoky Lake County will be contributing to in 2021 along with the regular annual contributions for grants to organizations, fire protections costs paid to the fire departments, Community Learning Council, Aspenview Family School Liaison, Agricultural Societies, and the annual cost to Evergreen Waste Commission

Projects:

- Heritage Board annual contribution \$13,000
- Contribution to HAK \$445,000 (funded from reserves)
- Contribution to Victoria District Economic Development Corp \$600,000 (funded from reserves)
- The budget for grants to individuals and organizations remains at \$29,000
- The budget for grants to the three Agricultural Societies remains at \$95,000

Grants to Organizations has been increased by \$14,449 for grants that were provided to organizations to help with loss of revenue due to COVID. This additional cost is funded from the MOST grant.

24) Transfer to Reserves From Operations

	2021	2020
Aggregate Business Tax	\$ 200,000	\$ 200,000
Connectivity	\$ -	\$ 54,469
Gravel Royalties	\$ 27,000	\$ 27,270
	<u>\$ 227,000</u>	<u>\$ 281,739</u>

25) Contingency

The proposed budget for contingency is \$0

26) Sale of Capital Assets

	2021	2020
Unit 198 (Truck)	\$30,000	
Gravel trailer	\$7,500	
Unit 633 (tractor)	\$20,000	
Dump trailer	\$1,000	
5 pickup trucks	\$16,500	
1 Grader	\$130,000	\$ -
	<u>\$205,000</u>	<u>\$ -</u>

27) Provincial Capital Grants

	2021	2020
MSI Capital	\$ 2,146,250	\$ 844,250
STIP Bridge Program	\$ 330,495	\$ -
Federal Gas Tax Grant	\$ 676,505	\$ -
Alberta Transportation	\$ 50,000	\$ -
	<u>\$ 3,203,250</u>	<u>\$ 844,250</u>

28) Transfers from Capital Reserves

	2021	2020
Previous years projects	\$ 20,000	\$ 20,000
Aggregate Levy - Road Repair	\$ 165,000	\$ 165,000
Previous years projects	\$ 121,213	\$ 23,264
Bridges	\$ -	
Planned transfers for capital	\$ 956,500	\$ 169,000
	<u>\$ 1,262,713</u>	<u>\$ 377,264</u>

29) Transfers to Reserves

	2021	2020
5 Year Capital Plan	\$ -	\$ 299,550
Road Plan	\$ -	\$ 110,000
	<u>\$ -</u>	<u>\$ 409,550</u>

30) Capital and Road Plan

The capital and road plan budgets are provided in detail through Requests for Decisions

31) Department Information

Detailed Department information is attached as 4.1(b)

Smoky Lake County
2021 Capital Budget

Dept	Item #	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	
ADMIN	ADMIN BUILDING RESERVE			50,000	50,000	50,000	
							2021 MSI
ADMIN	BUILDING REPAIRS	1	857,000	1,600,000			650,000 res
ADMIN	AERIAL PHOTOS RESERVE-remove	2	0	15,000	15,000	15,000	207,000
							\$60,000 from
ADMIN	AERIAL PHOTOS PURCH						80,000 reserves
ADMIN	FINANCE SOFTWARE	3	280,000				from reserves
ADMIN	HERITAGE SIGNS	4	15,000	15,000	15,000	15,000	
PS	FIRE EQUIPMENT REPLACEMENT RESERVE-rem	5	0	10,000	10,000	10,000	
							cost of PS
PS	FIRE TRUCK RESERVE-remove	6	0	125,000	125,000	125,000	vehicle average
PS	FIRE BUILDING RESERVE-remove	7	0	75,000	75,000	75,000	is
							\$125,000/year
PS	REPLACE 403 WASK FIRE TRUCK			500,000			*500,000 from
							reserve
PS	REPLACE 407 SMOKY LAKE RESCUE TRUCK			205,000			* 205,000 from
							reserve
PS	REPLACE 445 SMOKY LAKE WATER TRUCK				130,000		* 130,000 from
							reserve
PS	REPLACE 222 TRUCK (ED) - Traverse	8	50,000				sell for \$5,000,
							MSI
PS	REPLACE 221 ATV FOR BYLAW			19,890			
PS	RAPID ATTACK 6X6 UNIT W TRAILER	9	38,500				from reserve
PS	EQUIPMENT STORAGE SL	10	240,000				from reserve
PS	EQUIPMENT STORAGE WASK			15,000			
PW	REPLACE TRUCK 101 1/2 ton	11	45,000		61,950		sell truck
							\$10,000/MSI
PW	REPLACE TRUCK 107 removed	12	0	65,000			sell current
							truck \$1,000
PW	NEW DUMP TRAILER	13	17,000				sell unit 141
							\$1,000
PW	REPLACE 190 DUMP TRUCK SANDER/PLOW	14	355,000				sell unit for
							\$20,000
PW	REPLACE 198 TRUCK	15	190,000				sell current
							truck \$30,000
so so	GRADER REPLACEMENT 507 (160)	16	570,000	577,320	590,000	750,000	450000 from
0	REPLACE 196 GRAVELTRAILER	17	65,000			612,000	MSI sale
							\$7,500
PW	REPLACE 633 TRACTOR	18	220,000				sell current for
							\$20,000/
PW	WOBBLY PACKER	19	0	33,000	33,000	33,000	
PW	2 WASH BAY OVERHEAD DOORS	20	25,000				
PW	REPLACE TRUCK 108 PLOW TRUCK			95,000			
PW	PLOW FOR 108 REPLACEMENT			12,000			
PW	REPLACE TRUCK 105 SKID STEER CREW TRUCK			70,000			
PW	REPLACE EXCAVATOR 627			500,000			
PW	REPLACE 180 TRUCK			220,000			
PW	REPLACE TRUCK 104				60,112		
PW	REPLACE TRUCK 110 MECHANIC SERVICE TRUCK				61,285		
							currently
PW	REPLACE 114 STREET SWEEPER (JOINT)			124,800			\$45,000 in
							reserves
PW	REPLACE 109 CREW TRUCK			62,000			
PW	REPLACE TRUCK 119			62,000			
PW	REPLACE TRUCK 122 CREW TRUCK			62,000			
PW	REPLACE 155 OIL TRUCK			169,950			
PW	REPLACE 111 BELLY DUMP			63,000			
PW	REPLACE 197 TRUCK			195,840			
PW	REPLACE 623 FORKLIFT			10,302			
PW	REPLACE 608 ROCK TRUCK			510,880			

Smoky Lake County
2021 Capital Budget

Dept	Item #	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	
PW				46,800			
PW	REPLACE 638 CAT COMPACTOR			187,200			
PW	REPLACE 164 PRESSURE WASHER			15,600			
PW	REPLACE 136 TRAILER			36,400			
PW	REPLACE 195 DUMP TRUCK SANDER/PLOW			360,000			
PW	REPLACE 194 OIL TRUCK				170,000		
PW	REPLACE TRUCK 115 CREW TRUCK				61,000		
PW	REPLACE 170 TRUCK				175,000		
PW	REPLACE 188 FIFTH WHEEL TRUCK				199,680		
PW	REPLACE 603 CAT RECLAIMER				520,000	*154,000 from	
PW	REPLACE 602 BACKHOE LOADER				131,250		
PW	REPLACE 609 ROCK TRUCK				511,000		
PW	REPLACE 102 PICKUP TRUCK					60,000	
PW	REPLACE TRUCK 116 CREW TRUCK					61,285	
PW	REPLACE CREW TRUCK 117				61,880		
PW	RR130 WIDENING ANALYSIS	29	57,000				
PW	Blade for Truck		12,000				
W	REPLACE TRUCK 226	21	45,000			* sale 1,500/MSI	
W	REPLACE TRUCK 239			50,490			
W	REPLACE TRUCK 227				50,985		
WASTE	REPLACE TRUCK 112 GARBAGE - lease for 12 months	22	0				
WASTE	GARBAGE TRUCK RESERVE TRANSFER			45,000	45,000	45,000	
WASTE	FENCE SPEDDEN TRANSFER SITE	23	4,200			* reserve	
WASTE	TAKE IT OR LEAVE IT SHACK W OIL CONTAIN - VILNA	24	3,600			*reserve 1800 Vilna pay 50%	
WASTE	TAKE IT OR LEAVE IT SHACK W OIL CONTAIN - BELLIS	25	3,600			* reserve	
WASTE	TAKE IT OR LEAVE IT SHACK SPEDDEN	26	4,600			* reserve	
WASTE	WASTE BIN			5,000	5,000	5,000	
AG	SELL SPRAY TRUCK - keep for 2021	27					
AG	REPLACE 455 JOHN DEER TRACTOR	28	150,000				
AG	REPLACE 454 TRAILER			12,137			
P&R	REPLACE 726				57,750		
P&R	SHOWER HOUSE					** try to get 300,000 50% grant	
P&R	PIER		12,000				
P&R	TRAILER		11,000				
P&R	PLAYGROUND HANMORE WEST			25,000		*Grant \$25,000	
P&R	BEAR PROOF GARBAGE BINS 2x PER YEAR		2,500	2,500	2,500		
P&R	MONS LAKE RETAINING WALL/BEACH CARRYOVER		20,000			*20,000 from reserve	
P&R	REPLACE MOWER			17,340	17,510		
P&R	WARSPITE EMERGENCY BOAT LAUNCH(carry over)		13,000				
P&R	PAKAN EMERGENCY BOAT LAUNCH CONCRETE (carry over)		25,000				
PW	PW CREW TRUCK (carry over)		40,000				
ADMIN	NUISANCE GROUND RECLAMATION		93,213				
MUNICIPAL CAPITAL			3,438,713	3,585,540	3,866,251	3,143,060	1,438,285
GAS	INFRASTRUCTURE LINE REPLACEMENT		50,000	50,000	50,000	50,000	
GAS	RMO STATION REPLACEMENT PLAN RESERVE	30	70,000		70,000	70,000	
GAS	RMO STATION REPLACEMENT PLAN			140,000		140,000	* 70,000 from reserve
GAS	MODEMS FOR RMO	31	22,000	22,000	22,000		* from reserve
GAS	POLESHED FOR PIPE	32	45,000				* from reserve
GAS	REPLACE TRUCK	33	65,000		66,000	67,000	68,000 * from reserve
GAS	REPLACE 233 TRAILER				16,619		
GAS	NEW TRUCK BOX	34	13,000		8,500	8,500	8,500 * from reserve



REQUEST FOR DIRECTION		DATE	April 16, 2021 4.3
TOPIC	Smoky Lake County 2021 – Taxation Rates		
PROPOSAL	<p>The tax rate presentation attached @1 reviews the assessment, requisitions and offers three tax rate 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 2021 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 2021 PROPERTY TAX RATE



AGENDA

- **Review Assessment**
 - **2020 Assessment Changes**
 - **Assessment Trends**
 - **Assessment Proportions**
- Requisitions**
 - **Education**
 - **Foundation**
 - **Designated Industrial Property**
- Tax Rates**
 - **2020 Rate Comparisons**
 - **2020 Rate Options**

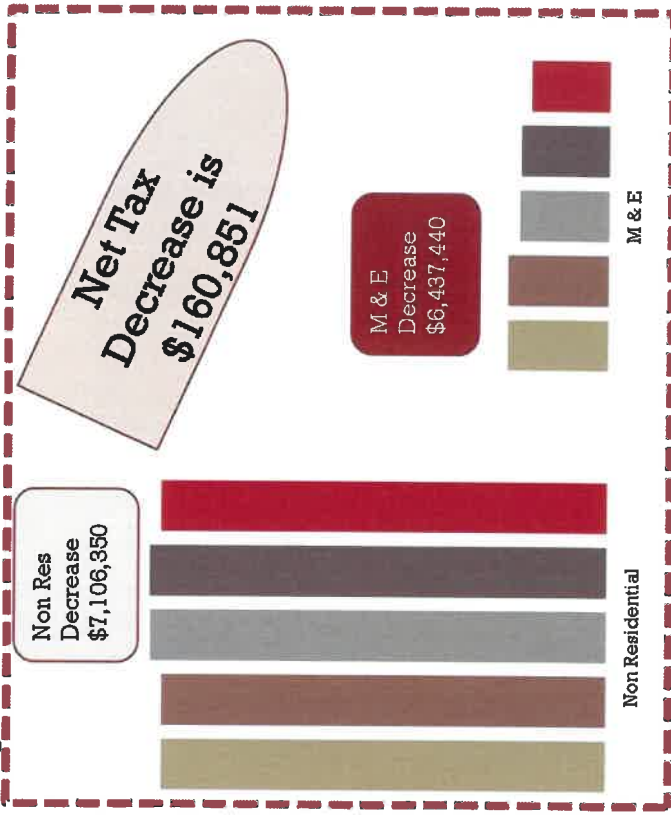
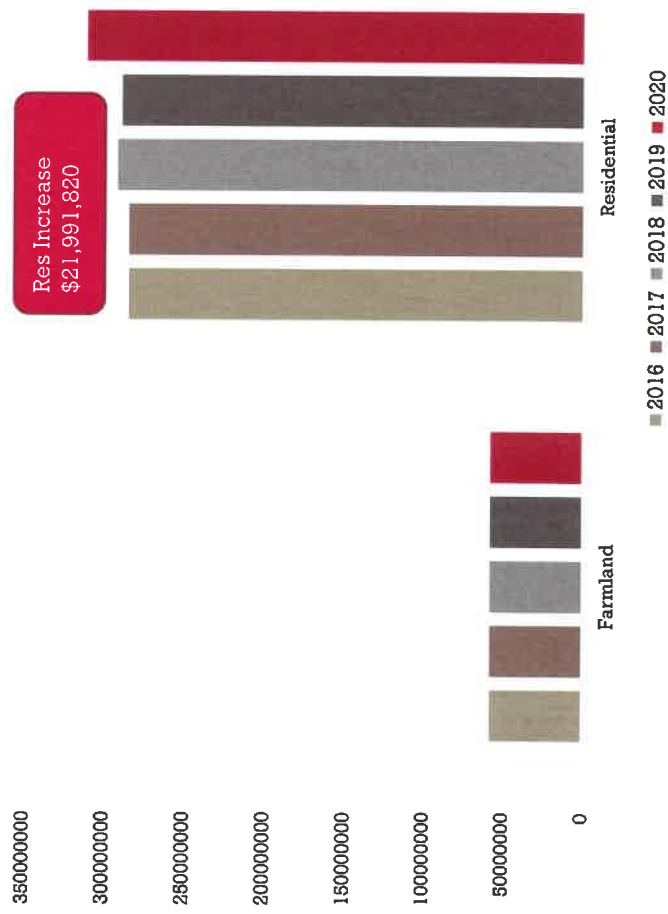


2020 ASSESSMENT



ASSESSMENT CHANGES

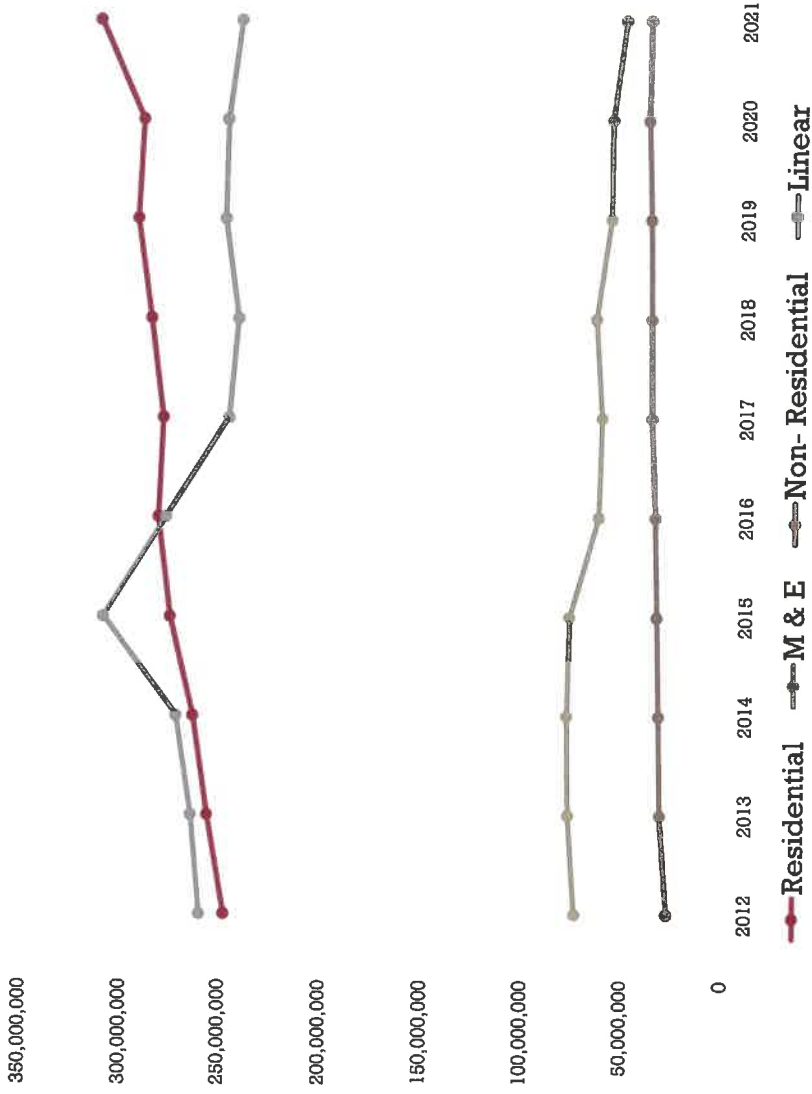
Five Year Assessment Change



10 YEAR ASSESSMENT TREND

- Over 10 years:
- Residential has increased an average of 3% per year
 - Non residential (commercial) has increased an average of 4% per year
 - Linear has decreased an average of 7% per year
 - M & E has decreased an average of 3% per year

Assessment Trend



THE PROPORTION OF RESIDENTIAL ASSESSMENT CONTINUES TO CHANGE

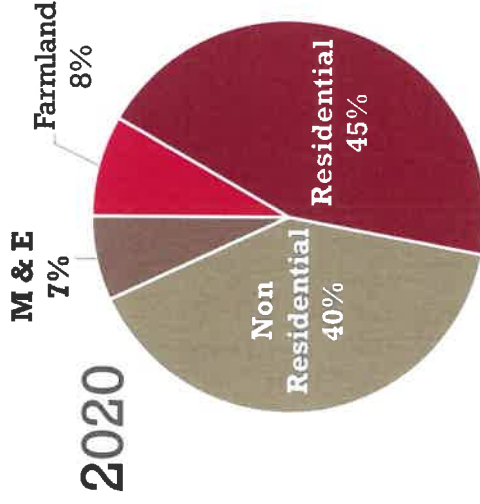
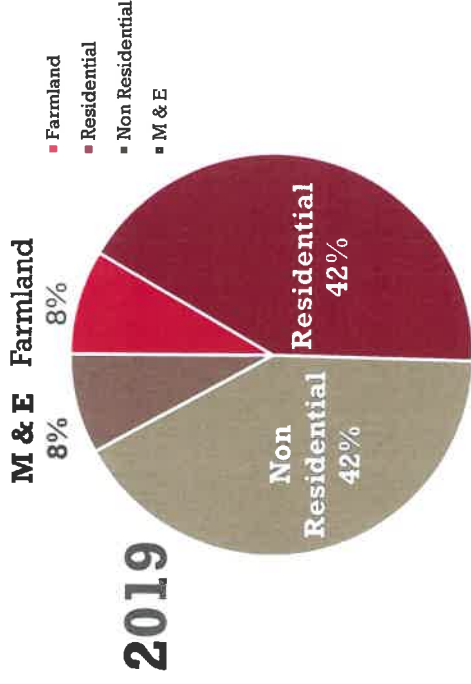
Smoky Lake County relies more on residential assessment for tax revenue each year

RESIDENTIAL :

- ❖ 2016 41%
- ❖ 2019 42%
- ❖ 2020 45%

NON-RESIDENTIAL & M & E:

- ❖ 2016 51%
- ❖ 2019 50%
- ❖ 2020 47%



REQUISITIONS / POLICE CHARGE

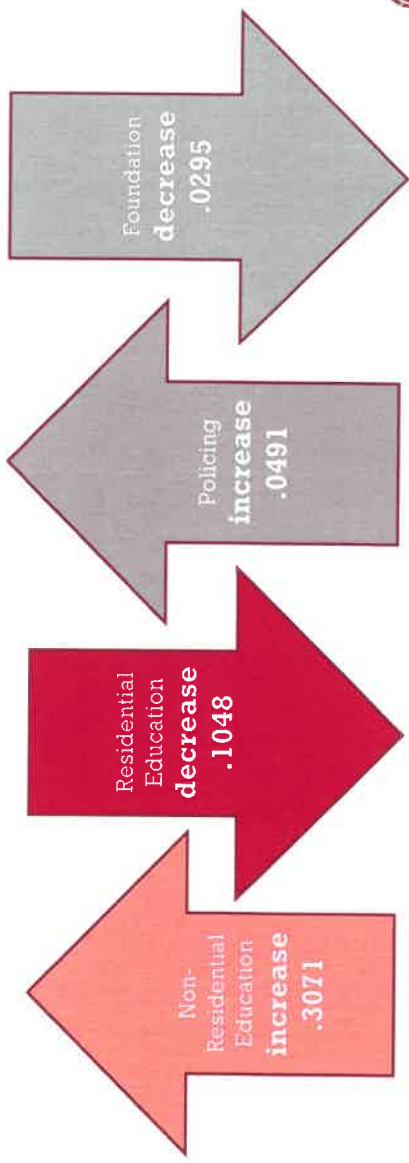


TOTAL REQUISITIONS & POLICING INCREASED

- The School Requisitions increased due to the assessment change. The net result is an increase of \$66,494. The change to each class:
 - Residential Rate will be 2.4964 (2020 – 2.6012)
 - Non- Residential Rate will be 3.8856 (2020 -3.5785)

	2020	2021	Increase (Decrease)
School	\$ 1,920,918	\$ 1,987,412	\$66,494
Foundation	\$ 468,927	\$ 482,894	-\$13,967
Designated Industrial Property	\$ 23,907	\$ 22,882	-\$1,025
Policing	\$ 63,702	\$ 98,521	\$34,819

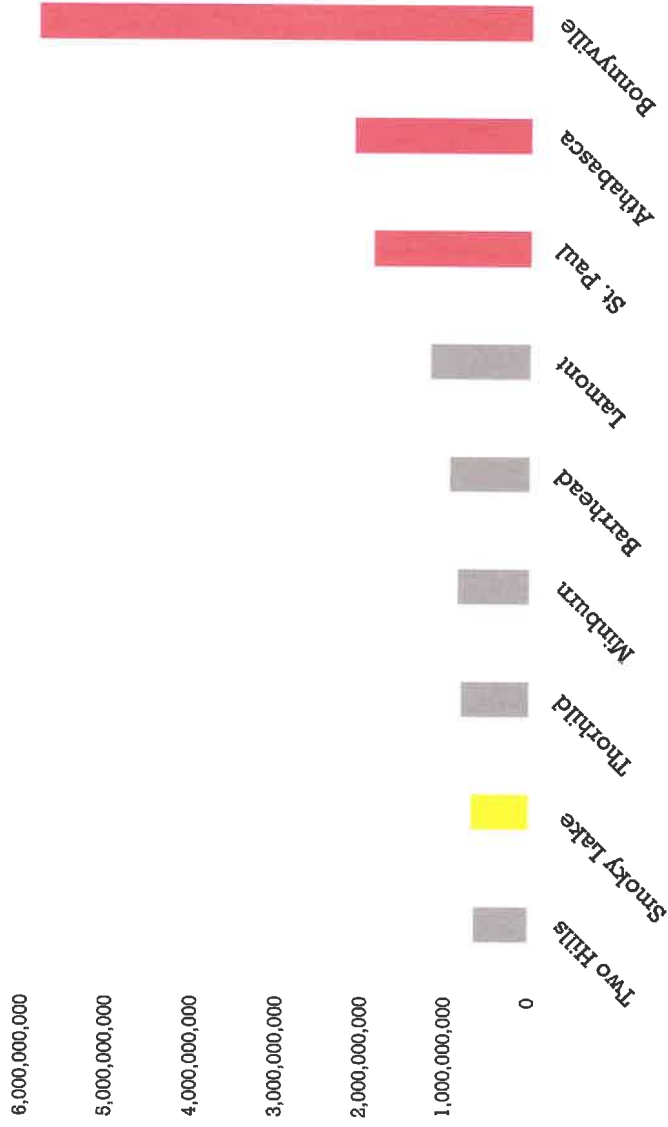
- Foundation Requisition has decreased again:
 - 2021 Rate will be .6753 (2020 - .7048)
- Policing Charge has increased:
 - 2021 Rate equals .1414 (2020 - .0923)



MUNICIPAL TAX RATE



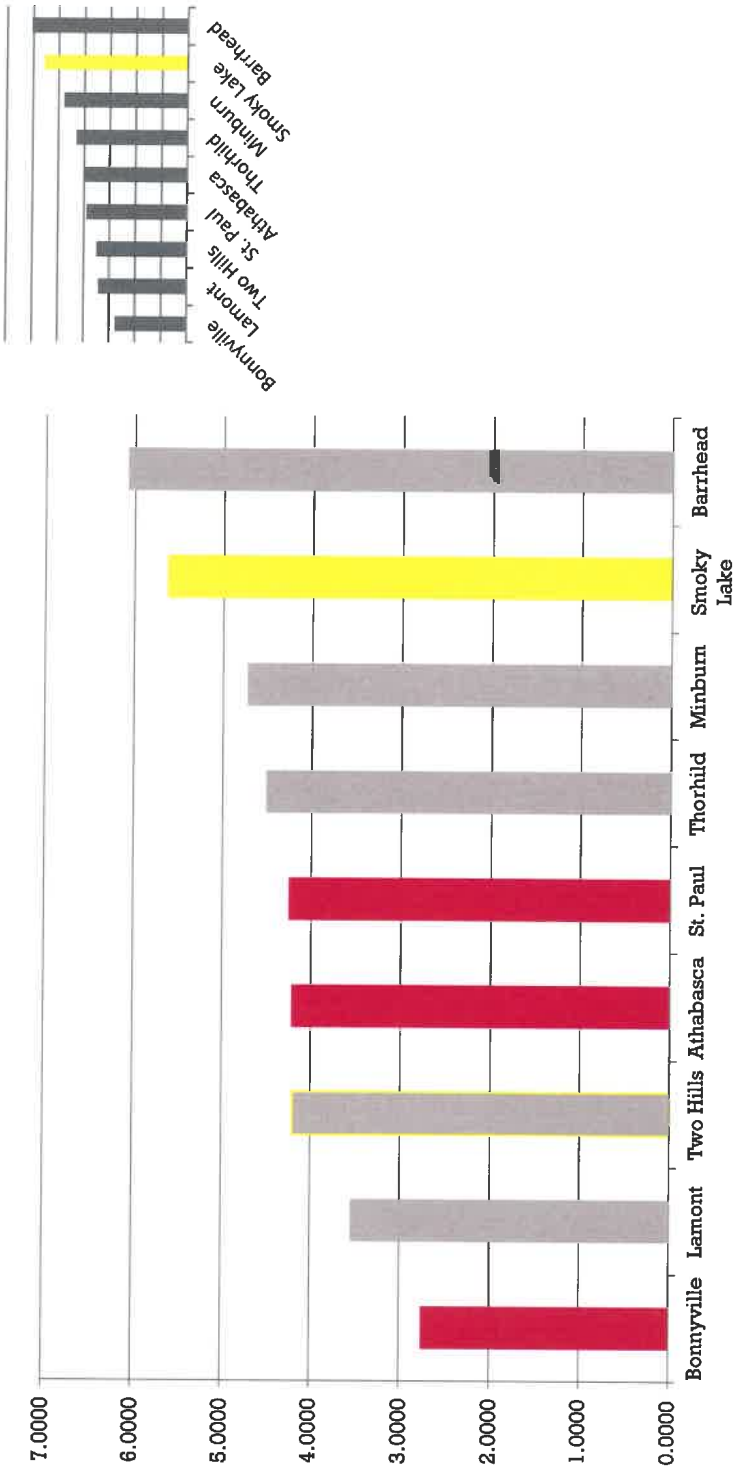
2020 Equalized Assessment



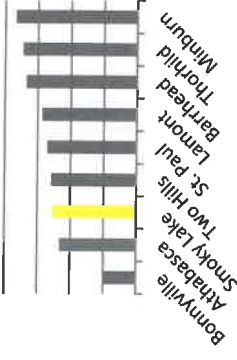
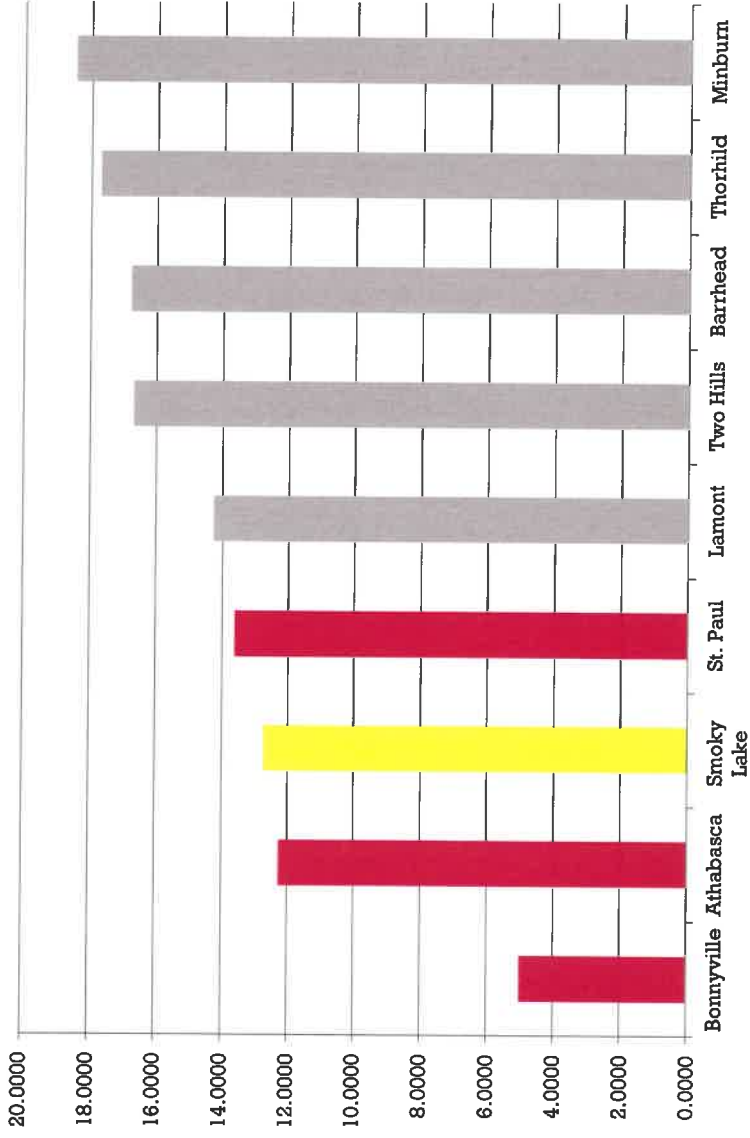
2020 COMPARISON

Smoky Lake County has the second lowest Assessment (compared to similar municipalities). This results in the need for a higher tax rate.

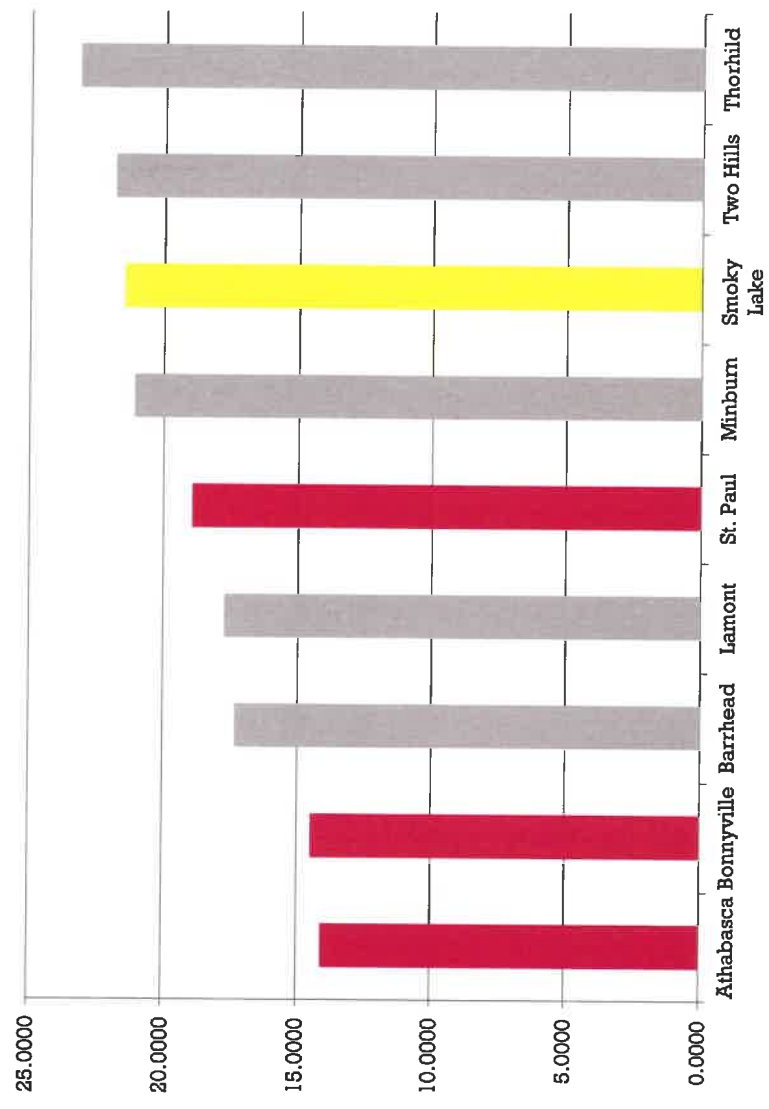
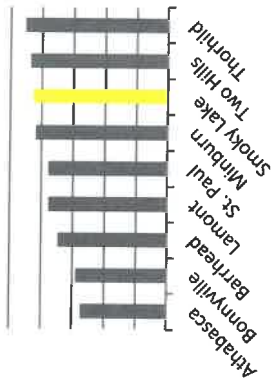




2020 RESIDENTIAL TAX RATE COMPARISON



2020 FARMLAND COMPARISON



2020 NON-RESIDENTIAL COMPARISON



- When Council passed the 2021 interim budget, it contained an overall 1.5% increase tax revenue, however the decrease in non-residential assessment results in a decrease in tax revenue if the rates remain the same as 2020

- Once the requisitions are removed, tax revenue of **\$9,715,914** is needed for the Smoky Lake County Budget.

- Some of this shortfall is a result of Provincial downloading:

- Policing **\$ 98,521** (incr \$34,819)
- Grant in Lieu not being paid **\$ 30,000**
- Decrease in ASB grant **\$ 43,093**
- **\$171,614**

- Administration has looked at three options to balance.

2021 AMENDED BUDGET





RECOMMENDED OPTION #1

Increase the total tax rate for each class to cover the increase in policing and nonpayment of grant in lieu. Amend the budget to use \$110,000 to fund the Tractor Purchase.

Total Tax Revenue \$12,245,863
Tax Revenue Needed \$12,352,581
Shortfall -\$106,718

Reallocate MSI to Ag tractor surplus \$110,000
\$3,282

Average residential tax change	\$92
Average farm tax change	\$0
Average small business tax change	\$426
Average industrial business tax change	-\$35
Average M & E change	\$893
Average Linear change	\$4,727

MILL RATES	RESIDENTIAL		FARMLAND		NON-RESIDENTIAL MACHINERY AND EQUIPMENT			
	2021	2020	2021	2020	2021	2020	2021	2020
Municipal Rates	5.823	5.6396	12.923	12.7396	21.9608	21.5196	21.9608	21.5196
Total Rates	8.9947	8.9456	16.0947	16.0456	26.5217	25.8029	22.6361	22.2244
Rate Increase		0.0491		0.0491		0.7188		0.4117



Total Tax Revenue \$12,357,488
 Tax Revenue Needed \$12,352,581

Surplus	\$4,907	Average residential tax change	\$133
		Average farm tax change	\$4
		Average small business tax change	\$432
		Average industrial business tax change	-\$33
		Average M & E change	\$901
		Average Linear change	\$4,890

OPTION #2

Increase the total tax rate by .38 for each class to cover the shortfall

MILL RATES	RESIDENTIAL		FARMLAND		NON-RESIDENTIAL MACHINERY AND EQUIPMENT	
	2021	2020	2021	2020	2021	2020
Municipal Rates	6.1046	5.6396	13.2046	12.7396	21.5196	21.5196
Total Rates	9.2763	8.9456	16.3763	16.0456	26.5455	22.2244
Rate Increase	.3307	.3307	0.3307	0.3307	0.7426	0.4354



Total Tax Revenue \$12,082,998
 Tax Revenue Needed \$12,352,581
 Transfer from General Reserve \$120,000
 Allocate MSI to Tractor \$150,000
 Surplus \$417

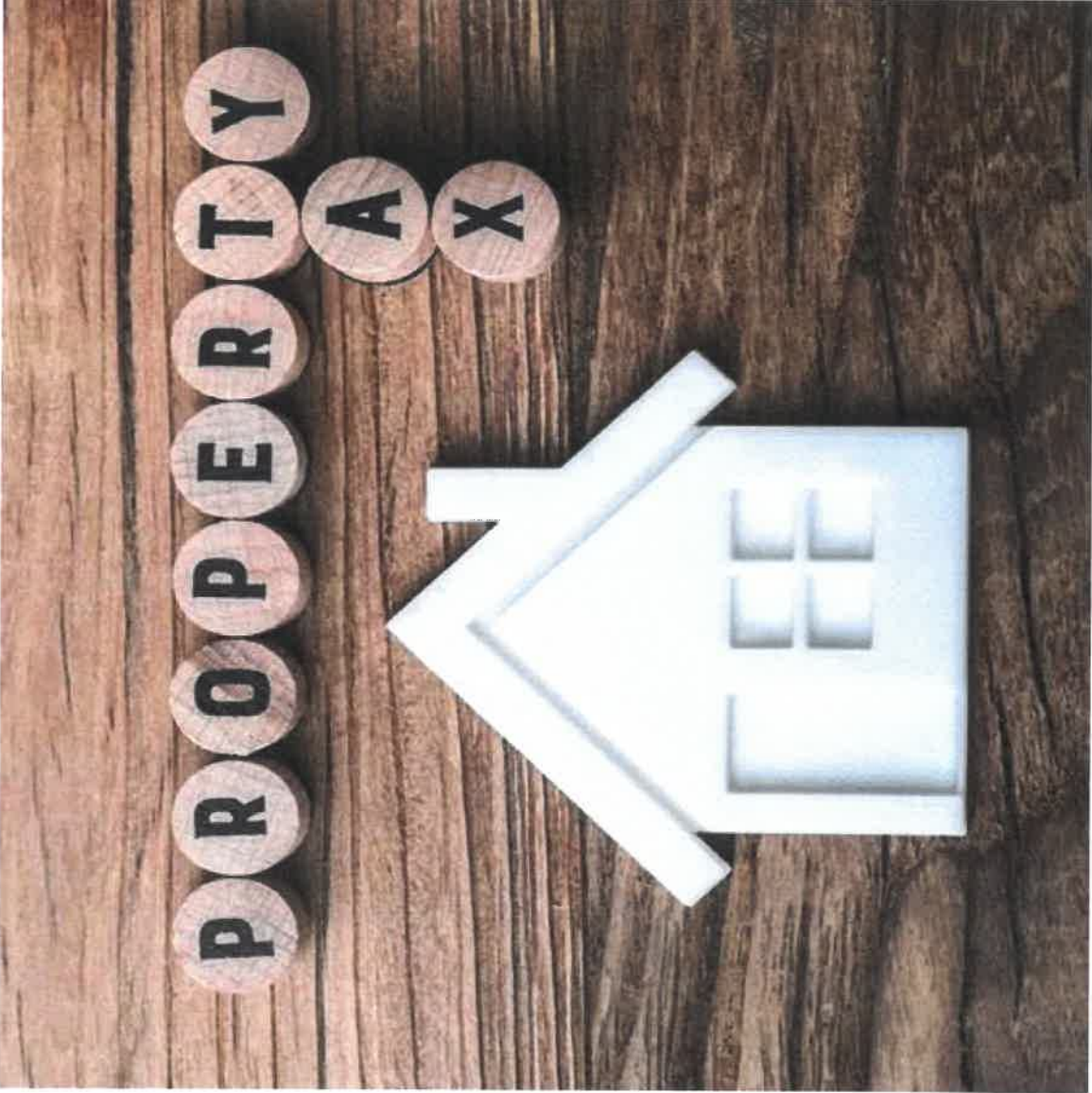
Average residential tax change	\$85
Average farm tax change	\$0
Average small business tax change	\$317
Average industrial business tax change	-\$61
Average M & E change	\$746
Average Linear change	\$1,697

MILL RATES	RESIDENTIAL		FARMLAND		NON-RESIDENTIAL MACHINERY AND EQUIPMENT	
	2021	2020	2021	2020	2021	2020
Municipal Rates	5.7739	5.6396	12.8739	12.7396	21.5596	21.5196
Total Rates	8.9456	8.9456	16.0456	16.0456	26.1205	25.8029
Rate Increase	0	0	0	0	0.3176	0.0104

OPTION #3

No increase to the tax rate except to pass on increased education to non-residential. Adjust the budget by transferring \$120,000 from general reserve and \$150,000 from MSI to fund the Ag tractor





***A LISTING
COMPARING THE
TAX CHARGES
FOR SOME
PROPERTIES WILL
BE PROVIDED AT
THE MEETING***