

**SMOKY LAKE COUNTY**

Minutes of the **County Council Budget Meeting** held virtually online on **Friday, April 16, 2021** starting at 9:04 A.M. held in County Council Chambers and virtually online through Electronic Communication Technology: Zoom Meeting.

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

<b>ATTENDANCE</b>		
<u>Friday, April 16, 2021</u>		
<u>Div. No.</u>	<u>Councillor(s)</u>	
1	Dan Gawalko	Present in Chambers
2	Johnny Cherniwchan	Present in Chambers
3	Craig Lukinuk	Present in Chambers
4	Lorne Halisky	Present in Chambers
5	Randy Orichowski	Present in Chambers
CAO	Gene Sobolewski	Virtually Present
Assistant CAO	Lydia Cielin	Virtually Present
Finance Manager	Brenda Adamson	Present in Chambers
Legislative Svcs/R.S.	Patti Priest	Virtually Present

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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	Absent
Kyle Schole – Planning & Dev. Assistant	Virtually Present
Carleigh McMullin – Ag. Fieldman	Virtually Present
Evonne Zukiwski – Communications Tech.	Virtually Present
Carole Dowhaniuk – GIS Tech.	Virtually Present
Scott Franchuk – Fire Chief	Virtually Present
Dave Franchuk – Env. Operations Manager	Virtually Present
Daniel Moric – Natural Gas Manager	Virtually Present
Debbie Hackman – Accounting Clerk	Present in Chambers

One Member of the Media was virtually in attendance: Smoky Lake Signal.  
No Member of the Public were in attendance.

**2. Agenda:**

631-21: Orichowski That the Smoky Lake County Council Budget Meeting Agenda for Friday, April 16, 2021, be adopted, as presented. Carried Unanimously.

**3. Minutes:**

No Minutes.

**4. Request for Decision:**

**Minimum Property Tax Levy**

632-21: Cherniwchan That Smoky Lake County Council approve to incorporate a Minimum Property Tax Levy in the amount of \$50.00 per property into the Year-2021 Property Tax Rate Bylaw, for the purpose of allowing a minimum levy to be charged to each property when the tax rate multiplied by the assessed value of a property is less than the amount of \$50.00 of the municipal portion of the total property tax payable per parcel.

Carried.

**Total Function Budget – Proposed**

The Interim budget was passed in January 2021. 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 as:

	Operations	Road	Bridge	Capital	2021 PROPOSED BUDGET
<b>NET Cash Deficit Presented December</b>	<b>1,547,750</b>	<b>-561,750</b>	<b>-200,000</b>	<b>-786,000</b>	<b>0</b>
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
<b>NET Cash Deficit</b>	<b>1,669,429</b>	<b>-533,750</b>	<b>-200,000</b>	<b>-729,000</b>	<b>206,679</b>

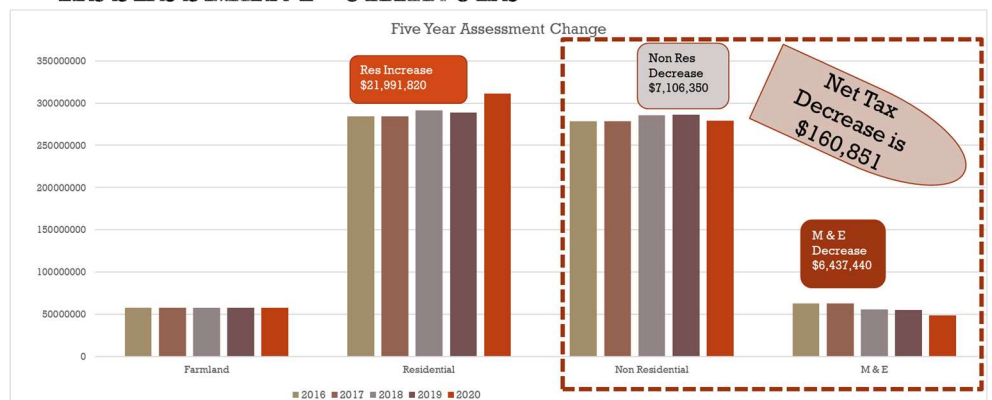
**Smoky Lake County Taxation Rates – Setting the 2021 Property Tax Rate**



# SMOKY LAKE COUNTY

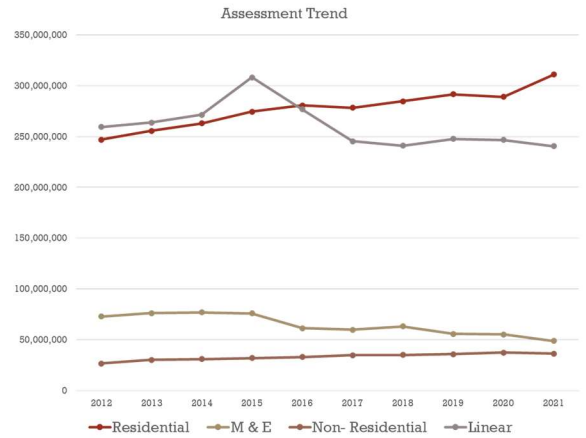
SETTING THE 2021 PROPERTY TAX RATE

## ASSESSMENT CHANGES



**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



**THE PROPORTION OF RESIDENTIAL ASSESSMENT CONTINUES TO CHANGE**

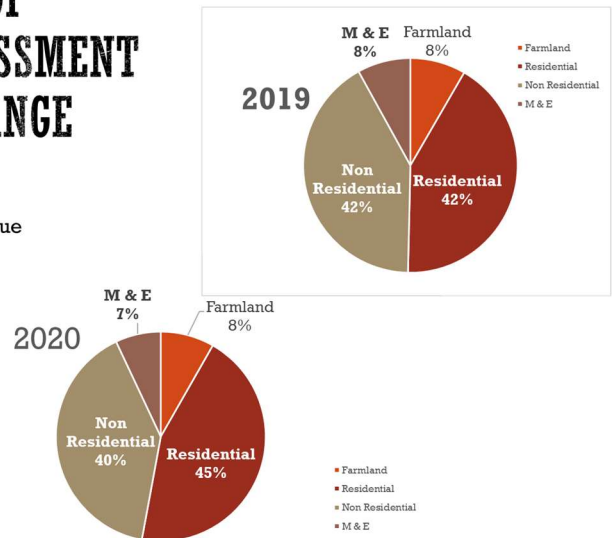
Smoky Lake County relies more on residential assessment for tax revenue each year

RESIDENTIAL :

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

NON-RESIDENTIAL & M & E:

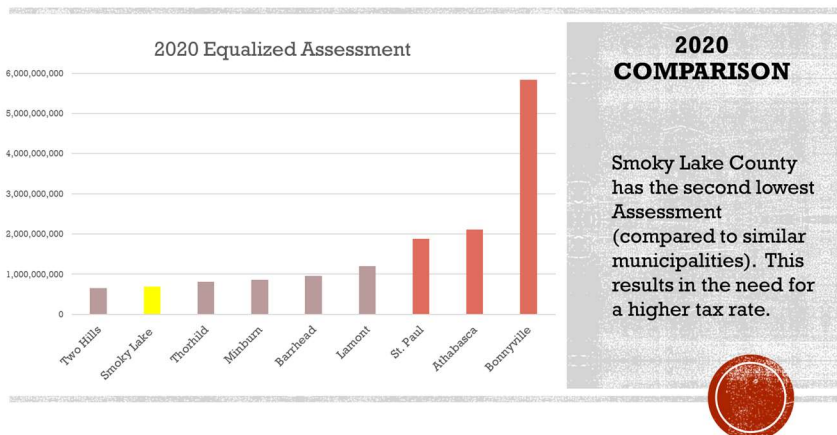
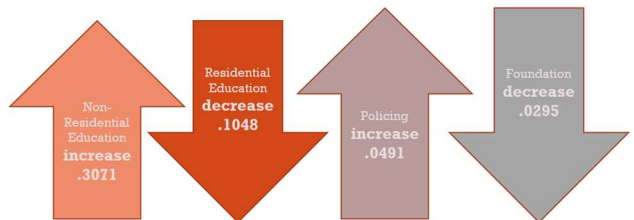
- ❖ 2016 51%
- ❖ 2019 50%
- ❖ 2020 47%

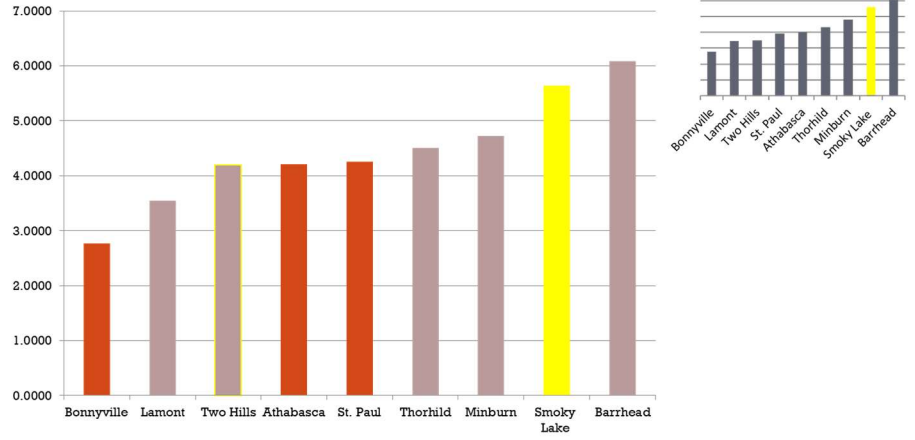


**TOTAL REQUISITIONS & POLICING INCREASED**

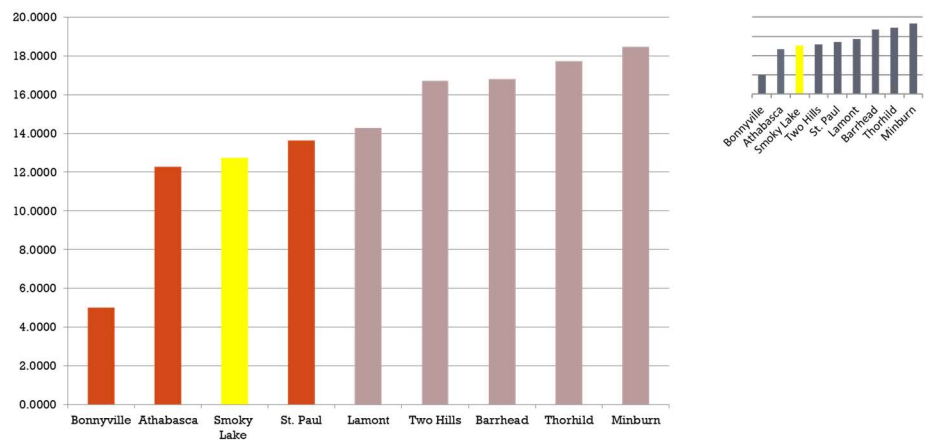
- The School Requisitions increased due to the assessment change. The net result is an increase of \$66,494. The change to each class:
  - Residential Rate will be **2.4964** (2020 - 2.6012)
  - Non- Residential Rate will be **3.8856** (2020 - 3.5785)
- Foundation Requisition has decreased again:
  - 2021 Rate will be **.6753** (2020 - .7048)
- Policing Charge has increased:
  - 2021 Rate equals **.1414** (2020 - .0923)

	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

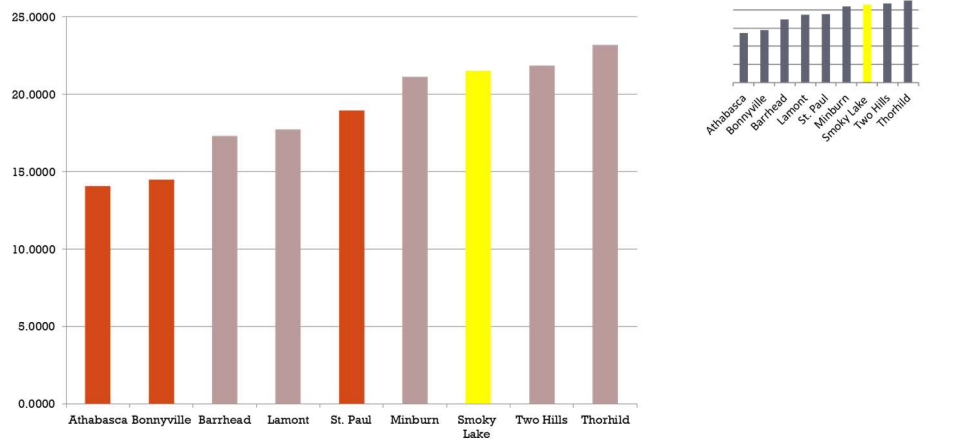




### 2020 RESIDENTIAL TAX RATE COMPARISON



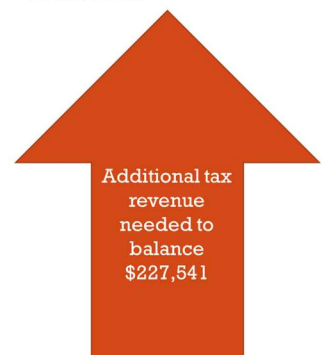
### 2020 FARMLAND COMPARISON



### 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



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



**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.

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
<b>Total Rates</b>	<b>8.9947</b>	<b>8.9456</b>	<b>16.0947</b>	<b>16.0456</b>	<b>26.5217</b>	<b>25.8029</b>	<b>22.6361</b>	<b>22.2244</b>
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	2021	2020
Municipal Rates	6.1046	5.6396	13.2046	12.7396	21.9846	21.5196	21.9846	21.5196
<b>Total Rates</b>	<b>9.2763</b>	<b>8.9456</b>	<b>16.3763</b>	<b>16.0456</b>	<b>26.5455</b>	<b>25.8029</b>	<b>22.2244</b>	<b>22.2244</b>
Rate Increase		.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

**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

MILL RATES	RESIDENTIAL		FARMLAND		NON-RESIDENTIAL		MACHINERY AND EQUIPMENT	
	2021	2020	2021	2020	2021	2020	2021	2020
Municipal Rates	5.7739	5.6396	12.8739	12.7396	21.5596	21.5196	21.5596	21.5196
<b>Total Rates</b>	<b>8.9456</b>	<b>8.9456</b>	<b>16.0456</b>	<b>16.0456</b>	<b>26.1205</b>	<b>25.8029</b>	<b>22.2348</b>	<b>22.2244</b>
Rate Increase		0		0		0.3176		0.0104

**Smoky Lake County Taxation Rates**

633-21: Halisky

That Smoky Lake County Council provide direction for Administration to prepare the Year-2021 Tax Rate Bylaw for Residential, Farmland, and Non-Residential Properties, based on "Option 3" as presented on April 16, 2021, which includes: no increase to the Tax Rate, except to pass on the increased Education Tax to Non-Residential, and adjustments to the budget by transferring funds from the General Reserve into the Operating Reserve, and allocating Municipal Sustainability Initiative (MSI) funding in the amount Agricultural Service Board Department's tractor purchase in Year-2021.

Carried.

**Total Function Budget**

634-21: Gawalko

That Smoky Lake County Council defer finalizing the Year-2021 Total Function Budget, until after the Year-2021 Property Tax Rate Bylaw has been given third and final reading.

Carried.

**8. Executive Session:**

No Executive Session.

**6. Correspondence:**

No Correspondence

**Adjournment:**

635-21: Lukinuk

That the Smoky Lake County Council Budget Meeting of April 16, 2021 be adjourned, time 10:50 a.m..

Carried.

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REEVE

**S E A L**

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CHIEF ADMINISTRATIVE OFFICER