

SMOKY LAKE COUNTY

Minutes of the **County Council Budget Meeting** held on Thursday, **May 5, 2022** starting at 9:04 A.M. held in County Council Chambers as well as virtually online through Electronic Communication Technology: Zoom Meeting.

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

		<u>ATTENDANCE</u>
		<u>Thursday, May 5, 2022</u>
<u>Div. No.</u>	<u>Councillor(s)</u>	
1	Dan Gawalko	Present in Chambers
2	Linda Fenerty	Present in Chambers
3	Dominique Cere	Present in Chambers
4	Lorne Halisky	Present in Chambers
5	Jered Serben	Present in Chambers
CAO	Gene Sobolewski	Present in Chambers
Asst. CAO	Lydia Cielin	Virtually Present
Finance Manager	Brenda Adamson	Present in Chambers
Legislative Svcs/R.S.	Patti Priest	Virtually Present

Members of Administrative Staff in attendance:

Doug Ponich – Public Works Manager	Absent
Mark Fedoretz – Shop Foreman	Virtually Present @9:10am
Trevor Tychkowsky – Safety Officer	Absent
Jordan Ruegg, Planning & Dev. Manager	Virtually Present @9:11am
Kyle Schole, Planning & Dev. Assistant	Virtually Present
Carleigh Danyluk – Ag. Fieldman	Virtually Present
Amanda Kihn – Assist. Ag. Fieldman	Virtually Present
Evonne Zukiwski – Communications Tech.	Virtually Present
Carole Dowhaniuk – GIS Tech.	Absent
Scott Franchuk – Fire Chief	Virtually Present
Dave Franchuk – Env. Operations Manager	Virtually Present
Daniel Moric –Natural Gas Manager	Virtually Present

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

2. Agenda:

690-22: Gawalko

That the Smoky Lake County Council Budget Meeting Agenda for Thursday, May 5, 2022 be adopted, as amended:

Additions to the Agenda:

1. Electric Vehicle Charging Stations Construction Agreement – Dandelion Renewables Inc.
2. 2021/22 Alberta Community Partnership (ACP) Intermunicipal Collaboration Component, Conditional Grant Agreement for Regional Engineering Development Standards Project.

Carried Unanimously.

3. Minutes:

No Minutes.

Mark Fedoretz, Public Works Shop Foreman, virtually joined the meeting, time 9:10 a.m.

Jordan Ruegg, Planning & Development Manager, virtually joined the meeting, time 9:11 a.m.

Carole Dowhaniuk, GIS Operator, virtually joined the meeting, time 9:20 a.m.

4. Request for Decision (Additions to the Agenda):

Electric Vehicle Charging Stations Construction Agreement – Dandelion Renewables Inc.

691-22: Cere

That Smoky Lake County Council **approve to sole source Dandelion Renewables Inc.** to supply and install two Level 2 SIEMENS 8EM13105CF141GA2 and SIEMENS 8EM13105CF140GA0 11.5kW chargers, for the project as per the Year-2022 Application submitted to the Municipal Climate Change Action Centre (MCCAC), titled: “Electric Vehicle Charging Stations” within Smoky Lake County, at the Commemorative Site: 17301 Victoria Trail, and at The Lodge at Métis Crossing Metis Crossing: 17339 Victoria Trail; and further **approve the execution** of the construction agreement in respect to same, as prepared by Dandelion Renewables Inc.; **and acknowledge** if the preferred site location for one of the two said chargers at the Commemorative Site, 17301 Victoria Trail, on the lands legally described as RL-10-58-17-4 is not feasible, then the secondary preferred location be at Métis Crossing, 17339 Victoria Trail.

Carried.

Electric Vehicle Charging Stations Project Funding

692-22: Cere

That Smoky Lake County Council **approve the unbudgeted expense** of \$20,000.00 (plus \$1,000.00 as a contingency allowance for a maximum total in the amount of \$21,000.00 including GST) allocated from Reserves to fund the project “Electric Vehicle Charging Stations” as per the Year-2022 Application submitted to the Municipal Climate Change Action Centre (MCCAC); **and acknowledge** the \$20,000.00 is to be replenished upon receipt of funds awarded towards the said project from the MCCAC.

Carried.

2021/22 Alberta Community Partnership (ACP) Intermunicipal Collaboration Component, Conditional Grant Agreement for Regional Engineering Development Standards Project

693-22: Serben

That Smoky Lake County **execute** the 2021/22 Alberta Community Partnership (ACP) Intermunicipal Collaboration Component, Conditional Grant Agreement between Her Majesty the Queen in Right of the Province of Alberta as represented by the Minister of Municipal Affairs, to be the Grant Recipient of funds in the amount of \$200,000.00, as managing partner of the Project: **Smoky Lake Region Municipal Development Guidelines and Minimum Servicing Standards**, with the Town of Smoky Lake, Village of Vilna and Village of Waskatenau; and further agree to abide by the terms of the Conditional Grant Agreement governing the purpose and use of the grant funds.

Carried.

Evonne Zukiwski, Communications Technician, virtually left the meeting, time 10:09 a.m.

5. Issues for Information:

Year-2022 Property Tax Rate

Brenda Adamson, Finance Manager presented the following information:

On April 22, 2022 the final budget was approved. We have received the requisitions amounts. Both the School and Foundation requisitions have increased. Smoky Lake County collects these funds and forwards them on to the appropriate entity. We have no control over the amounts or the impact they have.

The following PowerPoint tax presentation providing more detailed background as well as a summary of the options.

The average increases (decrease) in taxes **before** any changes are made to the municipal tax rates with the increase in requisitions and change in assessment would result in:

- ❖ Farmland parcels average increase of \$2.46
- ❖ Residential parcels average increase of \$81.22
- ❖ Small business parcels average decrease of \$556.42
- ❖ Other industrial and non-residential parcels average increase of \$81.80
- ❖ Machinery and Equipment parcels average increase of \$365.55
- ❖ Linear parcels average decrease of \$4885.35.

As per discussions with Council at the budget meeting, we have two tax rate options:

Option 1

Increase only the non-residential class. The tax rate would increase .38, resulting in:

- ❖ Small business average decrease of \$470.98
- ❖ Non residential average increase of \$105.69
- ❖ Machinery and Equipment average increase of \$497.73
- ❖ Linear average decrease of \$2193.66

Option 2

Establish a separate rate for the Small Business Class and increase the remaining non-residential categories. The tax rate would increase .397 resulting in:

- ❖ Small business average decrease would be \$556.24
- ❖ Non residential average increase of \$106.76
- ❖ Machinery and Equipment average increase of \$503.64
- ❖ Linear average decrease of \$2,073.34

These two options provide a starting point.



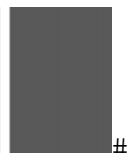
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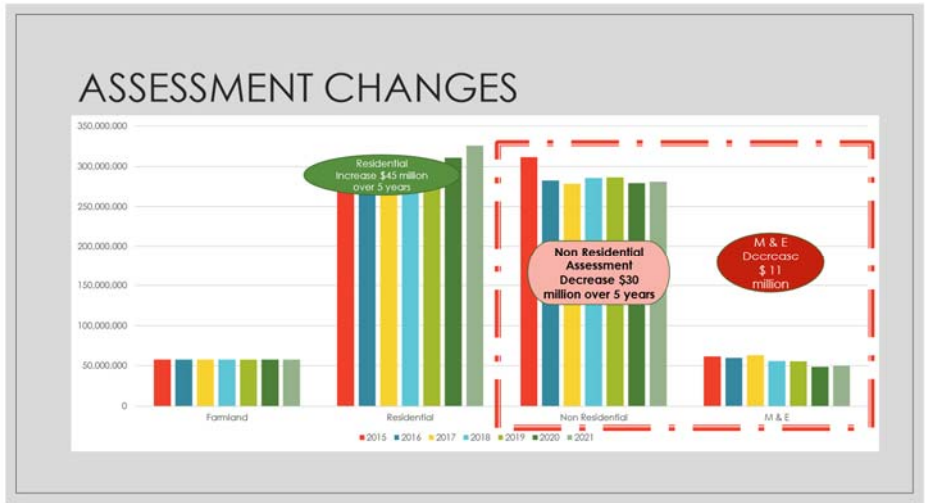


2021 ASSESSMENT

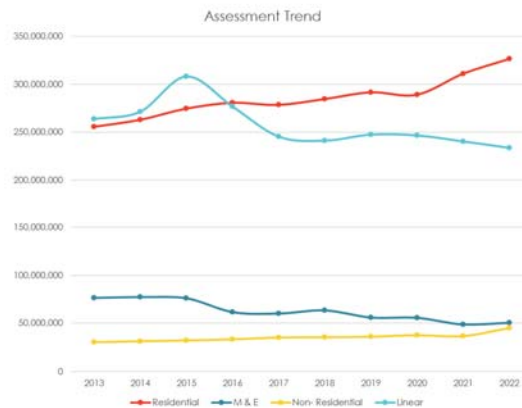


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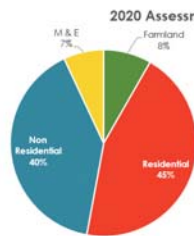


10 YEAR ASSESSMENT TREND

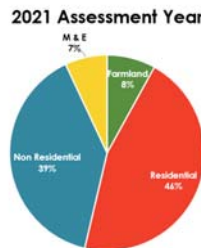
Over 10 years:

- Residential has increased an average of 3% per year
- Non residential (commercial) has increased an average of 5% per year
- Linear has decreased an average of 1% per year
- M & E has decreased an average of 3% per year

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PROPORTION OF ASSESSMENT CONTINUES TO CHANGE



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

Residential Assessment:

- ◆ 2016 41%
- ◆ 2019 42%
- ◆ 2021 46%

Non-Residential & M & E:

- ◆ 2016 51%
- ◆ 2019 50%
- ◆ 2020 46%

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2022 REQUISITIONS

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Total Requisitions & Policing Increased

- The School Requisitions increased. The net result is an increase of \$98,258. The change to each class:
 - Residential Rate will be **2.6213** (2021 - 2.4951)
 - Non- Residential Rate will be **3.8847** (2021 - 3.8710)
- Foundation Requisition has increased :
 - 2022 Rate will be **.7224** (2021 - .6752)
- Policing Charge has increased:
 - 2021 Rate equals **.1583** (2020 - .1415)

	2021	2022	Increase
School	\$1,987,412	\$ 2,085,669.64	\$98,258
Foundation	\$482,894	\$514,064	\$31,170
Designated Industrial Property	\$22,882	\$22,464	-\$418
Policing	\$98,521	\$127,404	\$28,883

Policing Increase
.0168

Residential Education Increase
.1262

Non-Residential Education Increase
.0137

Foundation Increase
.0472

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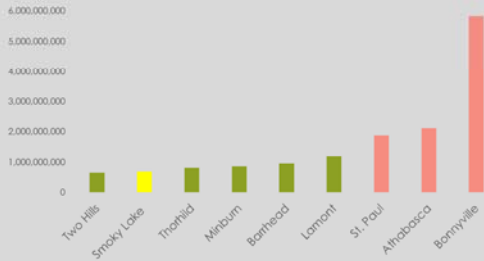
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MUNICIPAL TAX RATE

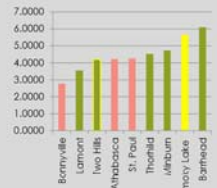
Equalized Assessment Comparison

2020 Equalized Assessment



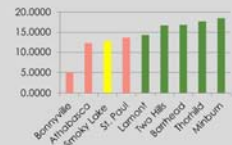
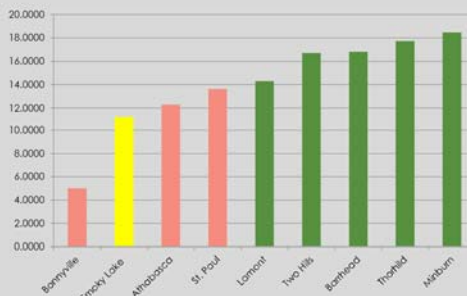
Smoky Lake County has the second lowest Assessment (compared to similar municipalities). This results in the need for a higher tax rate.

2020 Residential Tax Rate Comparison



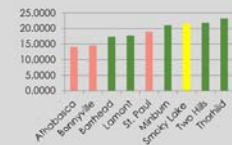
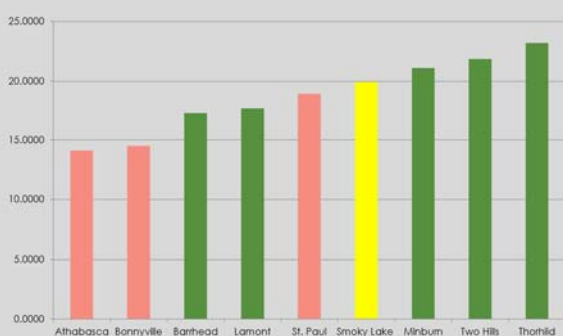
Athabasca, St Paul, Two Hills, and Thorhild increased rates for 2021 leaving SL County as 4th lowest

2021 Farmland Comparison

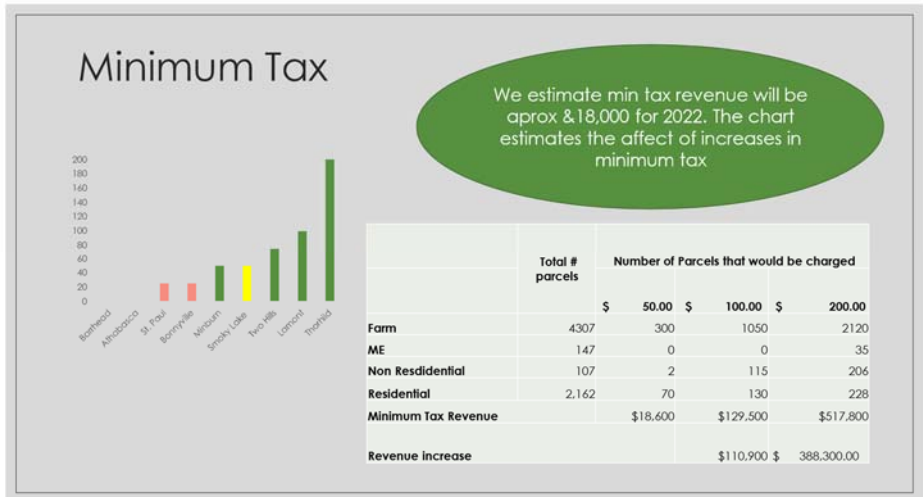


SL County has the second lowest farmland tax rate

2020 Non Residential Comparison



The trend continues. Smoky Lake County rate is decreasing in relation to neighbors



2022 AMENDED BUDGET

As per the approved budget, the Municipal Tax revenue required is **\$9,878,490**

Total Non Tax Revenue	\$ 9,035,121.00
Tax Revenue	\$ 9,878,490.00
Total Revenues	\$ 18,913,611.00
Total Expenses	\$ 20,940,411.00
Deduct Amortization	-\$ 2,026,800.00
Total expenses to fund	\$ 18,913,611.00

2022 Approved Budget

We require \$162,576 more in municipal tax revenue for 2022.

- Policing costs increase \$28,888
- The budget for fuel has been increased to reflect higher prices.

Administration has provided two options based on discussions with Council

Recommended Option#1 Increase the Non-Residential Tax rate by .38

- Total Residential rate increase = .1511
- Total Farm rate increase = .1734
- Total Non residential rate increase = .4409
- Total Machinery & Equipment rate increase = .4272

Res and Farmland increases are strictly from requisitions

Class	Farm	Res	Non Res	M & E
Rate	16.219	9.0967	26.5363	22.6516
Parcels	4,271	2,162	463	144
Assessment	\$13,295	\$150,961	\$62,875	\$347,834
Avg Tax per parcel	\$215.63	\$1,373.25	\$1,668.48	\$7,878.99
Avg increase	\$2.46	\$81.22	\$105.69	\$497.73

Option#2 Increase the Non-Residential Tax rate by .397 and set up a separate small business tax rate with no increase

- Total Residential rate increase = .1511
- Total Farm rate increase = .1734
- Total Non residential rate increase = .4579 Small Business = .0609
- Total Machinery & Equipment rate increase = .4272

Res and Farmland increases are strictly from requisitions

Class	Farm	Res	Non Res	Small Bus	M & E
Rate	16.219	9.0967	26.5533	26.1563	22.6686
Parcels	4,271	2,162	463	38	144
Avg Assessment	\$13,295	\$150,961	\$62,875	\$224,826	\$347,834
Avg Tax per parcel	\$215.63	\$1,373.25	\$1,669.55	\$5,880.62	\$7,884.91
Avg increase	\$2.46	\$81.22	\$106.76	\$-556.42	\$503.64

DISCUSSION

We will review examples of specific properties

Year-2022 Property Tax Rate

694-22: Gawalko

That Smoky Lake County Council acknowledge the direction provided to Administration to prepare the Year-2022 Tax Rate Bylaw for Residential, Farmland, and Non-Residential Properties, based on “Option 1” which includes and increase to the Non-Residential Tax rate by .38 as well as a minimum property tax in the amount of \$100.00, per tax roll, as presented on May 5, 2022.

Carried.

6. Correspondence:

No Correspondence.

7. Delegation:

No Delegation.

Next Meeting:

The next Smoky Lake **County Council Budget Meeting** is scheduled for **Friday, May 13, 2022, at 1:00 p.m.** to be held virtually, through Electronic Communication Technology as per Bylaw 1376-20 **and/or** physically in County Council Chambers.

Adjournment:

695-22: Cere

That the Smoky Lake County Council Budget Meeting of May 5, 2022, be adjourned, time 11:18 a.m..

Carried.

REEVE

S E A L

CHIEF ADMINISTRATIVE OFFICER