

SPECIAL COUNCIL MEETING AGENDA

Date: **May 3, 2016**
Call to Order: **11:00 a.m.**
Location: **Council Chambers**

	Pages
1. CALL TO ORDER	
2. COUNCIL PRIORITIES	
2.1 Tax Rate Bylaw 17-2016	2 - 18
<p>To give three readings to a bylaw that will authorize the 2016 tax rate structure in order to levy the property taxes that are sufficient to cover budget and requisition requirements.</p>	
3. ADJOURNMENT (Motion)	

Bylaw 17-2016, 2016 Property Tax Rate**Report Purpose**

To give three readings to a bylaw that will authorize the 2016 tax rate structure in order to levy the property taxes that are sufficient to cover budget and requisition requirements.

Recommendations

1. THAT Bylaw 17-2016, a bylaw to authorize the 2016 tax rates for Strathcona County, be given first reading.
2. THAT Bylaw 17-2016 be given second reading.
3. THAT Bylaw 17-2016 be considered for third reading.
4. THAT Bylaw 17-2016 be given third reading.

Council History

December 8, 2015 – Council approved the 2016 consolidated operating budgets for Municipal, Utility, Library and Pioneer Housing Foundation Operations, which require municipal regular and supplementary taxes of \$210,785,648 and library regular taxes of \$9,172,097.

Strategic Plan Priority Areas

Economy: The 2016 tax rates being recommended by Bylaw 17-2016 are outlined in Schedule "A" attached to the bylaw (Enclosure 1). The recommended 2016 municipal tax rates reflect the impact of the new property assessment values completed for the 2016 tax year and a 0.69% general tax dollar increase approved in the 2016 Municipal Operations Operating Budget.

Governance: Property taxes support governance programs and initiatives that benefit County residents, business and industry.

Social: Property taxes support various social programs and initiatives that benefit County residents, business and industry.

Culture: Property taxes support cultural programs and initiatives that benefit County residents, business and industry.

Environment: Property taxes support environmental programs and initiatives that benefit County residents, business and industry.

Other Impacts

Policy: n/a

Legislative/Legal: The Municipal Government Act requires that a Tax Rate Bylaw be passed annually by Council for the establishment of property tax rates for Strathcona County. The Tax Rate Bylaw is required to authorize tax rates that are sufficient to generate property tax revenues required to support municipal and library programs and services pursuant to approved budgets, provincial and separate school board education requisitions, and other requisitions.

Interdepartmental: Assessment and Taxation, Financial Services

Summary

On March 16, 2016 Heartland Housing Foundation (HHF) confirmed a requisition requirement of \$2,840,484 to provide for a portion of their 2016 operating requirements. Pursuant to the April 14, 2016 provincial budget, Alberta Municipal Affairs submitted the 2016 Alberta School Foundation Fund requisition package in the amount of \$61,660,542 (Enclosure 2).

As illustrated by Enclosure 3, 2016 residential municipal property taxes will represent 62% of the total residential property taxes levied by Strathcona County. Education taxes, which are dictated by the province, comprise 35% of total residential property taxes levied. Library and HHF requisitions comprise the remaining 3% of the residential property taxes levied.

Enclosure 3 summarizes the impact that the recommended 2016 tax rates will have on a sample single family residential property with an approximate assessment of \$446,000. Municipal taxes amount to \$1,902 for this sample residential property (assumes average increase in assessment due to market value changes) and is based on a 0.69% tax dollar increase for 2016. Total projected property taxes for this sample property are expected to increase approximately \$45 (1.48%).

Communication Plan

Media Release

Newspaper Advertisement

Other: Information Brochure

Enclosure

- 1 Bylaw 17-2016 – 2016 Tax Rate (Document #: 8633867)
- 2 Schedule "A" - Tax Rate Bylaw 17-2016 (Document #: 8630037)
- 3 Presentation – Tax Rate Bylaw 17-2016 (Document #: 8634787)

BYLAW 17-2016

A BYLAW OF STRATHCONA COUNTY IN THE PROVINCE OF ALBERTA TO AUTHORIZE THE SEVERAL RATES OF TAXATION IMPOSED FOR THE YEAR 2016

WHEREAS it is estimated the combined tax levy for Strathcona County for the year of 2016, including Municipal and Library requirements, the Heartland Housing Foundation requisition and Education requisitions for the Alberta School Foundation Fund and the Elk Island C.S.R.D. #41, shall be in the total sum of \$283,715,951 as set out in Schedule "A", attached hereto and forming part of this Bylaw, and

WHEREAS the total assessment of land, buildings and improvements is \$33,135,020,280 prior to 2016 Local Assessment Review Board, Composite Assessment Review Board and Municipal Government Board adjustments as well as adjustments required pursuant to Section 305 and 330 of the Municipal Government Act RSA 2000, c.M-26, and

WHEREAS the rates hereinafter set forth are deemed necessary to provide the amounts required for all purposes, after making due allowances for the amount of taxes which may reasonably be expected to remain unpaid,

NOW THEREFORE, by virtue of the powers conferred upon it by the Municipal Government Act, **THE COUNCIL OF STRATHCONA COUNTY**, duly assembled, enacts as follows:

1. That the Chief Financial Officer is hereby authorized to levy upon the assessed value of all assessed property shown on the assessment roll and classified according to this Bylaw a tax at the tax rates set forth in Schedule "A" to produce the sums necessary for the purposes set forth in the said Schedule "A".
2. That all of the tax rates authorized in Schedule "A" herein are hereby authorized to be levied for 2016 upon all the assessed value of all property assessed pursuant to Bylaw 11-2016 being a Bylaw to authorize a Supplementary Assessment and any amendments thereto.
3. This Bylaw shall take effect after third reading and upon being signed.

Read a first time this _____ day of _____, 2016.

Read a second time this _____ day of _____, 2016.

Read a third time this _____ day of _____, 2016, and finally passed.

Mayor

Director, Legislative & Legal Services

Date signed

STRATHCONA COUNTY - 2016 TAX RATES**BYLAW # 17-2016
SCHEDULE "A"**

	Assessment Less Provision (000's)	Gross Expenditure */ Requisition	Other Revenue/ Prior Year Overlevy (Underlevy)	Supp. Tax	Tax Funded Expense Excluding Supp.	Residential / Farmland (mills)	Non- Residential (mills)	Machinery & Equipment (mills)	Linear (mills)
Municipal Operating**	33,101,885	\$279,476,177	\$68,690,529	\$500,000	\$210,285,648	4.2657	8.6593	8.6593	8.6593
Library Operating	33,135,020	10,243,368	1,330,619	0	8,912,749	0.1503	0.4161	0.4161	0.4161
Heartland Housing Foundation Requisition	33,135,020	2,840,484	32,422	0	2,808,062	0.0861	0.0861	0.0861	0.0861
Education Requisitions	33,064,479	61,660,542	(48,950)	0	61,709,492	2.4112	3.4071	0.0000	3.4071
Total For Current Year		\$354,220,571	\$70,004,620	\$500,000	\$283,715,951	6.9133	12.5686	9.1615	12.5686

*Excludes amortization expense

**Excludes Utilities Department

Strathcona County Tax Rate Bylaw 17-2016

May 3, 2016

Document: 8634787

Property tax components

Annually Council is required to authorize tax rates sufficient to generate tax revenues to support:

- Municipal services – based on approved Operating Budget
- Library services – based on approved Operating Budget
- Heartland Housing Foundation – based on requisition received
- Education services – based on requisition received from the Province of Alberta for Alberta School Foundation Fund and Elk Island CSRD #41 separate school

Annual property Assessment and tax definitions

- **Property Assessment** = Market value and regulated rates (per July 1, 2015 valuation date)
- **Budget/Requisitions** = Property tax revenue as approved by council required to pay for programs and services
- **Tax Rate** = Property tax revenue requirements ÷ total taxable assessment (tax rates are a calculated number, dependent on budget/requisition requirements and the total 2016 taxable assessment)
- **Per Property Share of Tax** = each property (assessment x tax rate(s))

2016 effective tax rate increases (residential)

Budget/Requisition Increase from 2015-2016	
Municipal services	0.69%
Library services	0.00%
Heartland Housing Foundation	3.73%
Education services*	2.93%

*Education requisitions are determined by and received from the Province of Alberta.

Projected 2016 property tax dollar impact

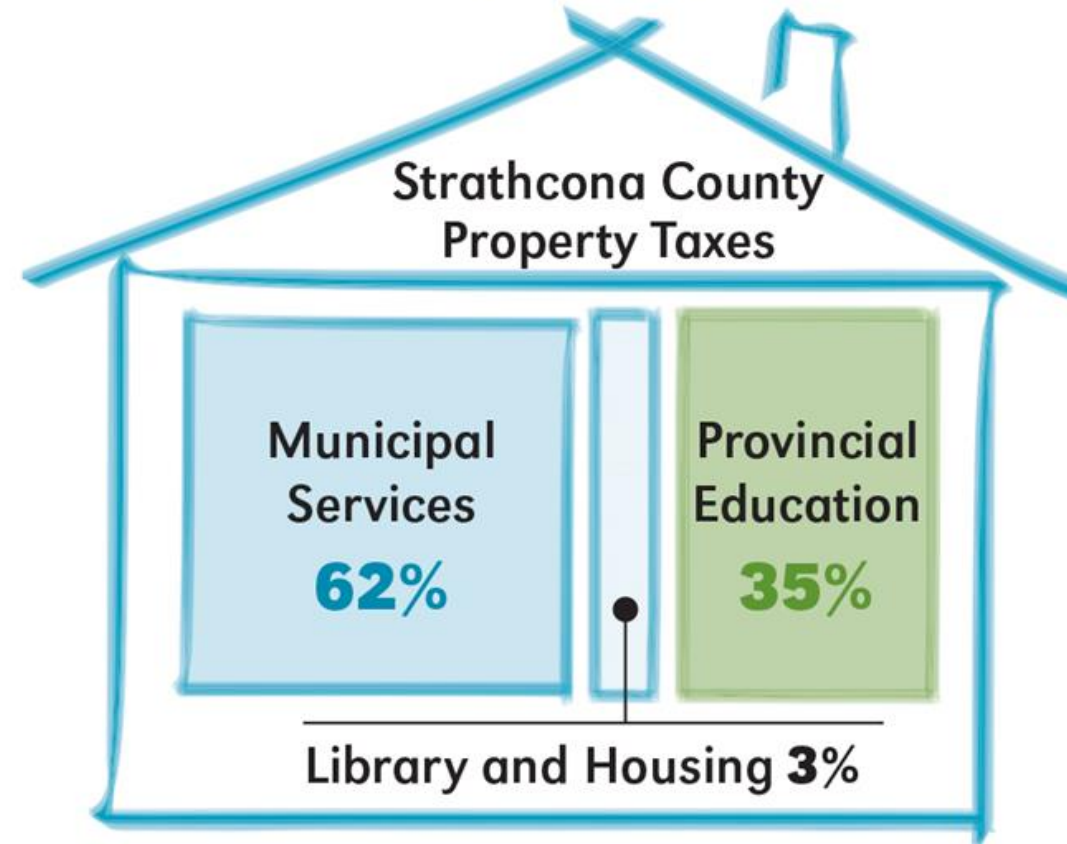
Sample single family residential property

New 2016 assessment = \$446,000 (2015=\$439,000)

	2016	2015	Change
Municipal Purposes:	\$ 1,901.87	\$ 1,888.84	\$ 13.03
*percent increase in municipal taxes			0.69%
*percent of total property taxes	61.7%	62.2%	
Library Purposes:	\$ 66.99	\$ 66.99	\$ -
*percent increase in library taxes			0.00%
*percent of total property taxes	2.2%	2.2%	
Heartland Housing Foundation:	\$ 38.39	\$ 37.01	\$ 1.38
*percent increase in HHF taxes			3.73%
*percent of total property taxes	1.2%	1.2%	
Municipal, Library and HHF Property Taxes	<u>\$ 2,007.25</u>	<u>\$ 1,992.84</u>	<u>\$ 14.41</u>
Education Purposes	\$ 1,075.04	\$ 1,044.47	\$ 30.57
*percent increase in education taxes			2.93%
*percent of total property taxes	34.9%	34.4%	
Total Projected Property Taxes	<u><u>\$ 3,082.29</u></u>	<u><u>\$ 3,037.31</u></u>	<u><u>\$ 44.98</u></u>
Total Percent Increase in Tax Notice			1.48%

2016 residential property tax distribution

Total residential property tax distribution



- 62%** pays for municipal services
- 3%** supports the Strathcona County Library and Heartland Housing Foundation
- 35%** is collected on behalf of the Government of Alberta for education

2016 tax rate bylaw

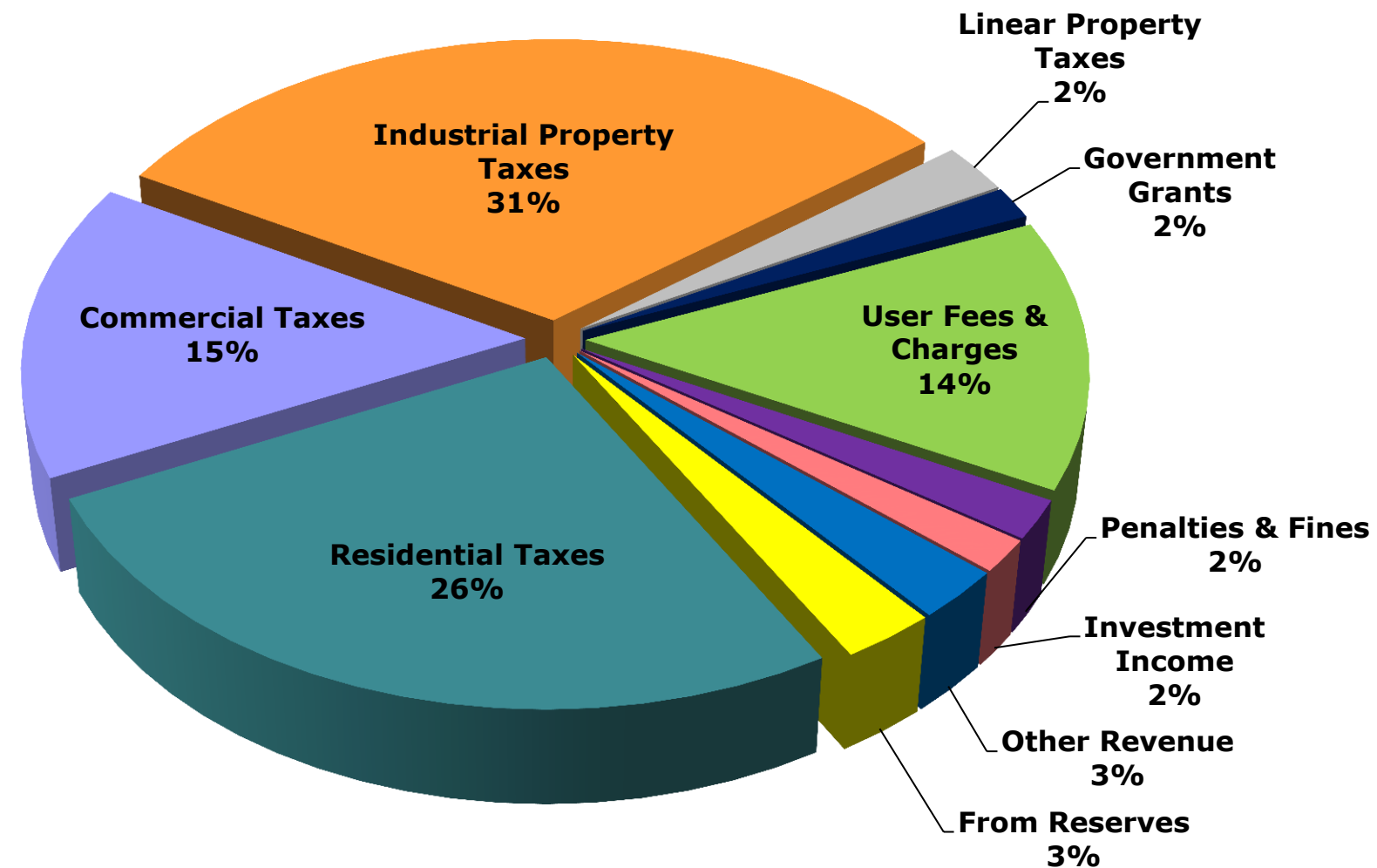
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**excludes the Utilities Department

Municipal residential property Tax contribution (26% of revenue)

Municipal operations only



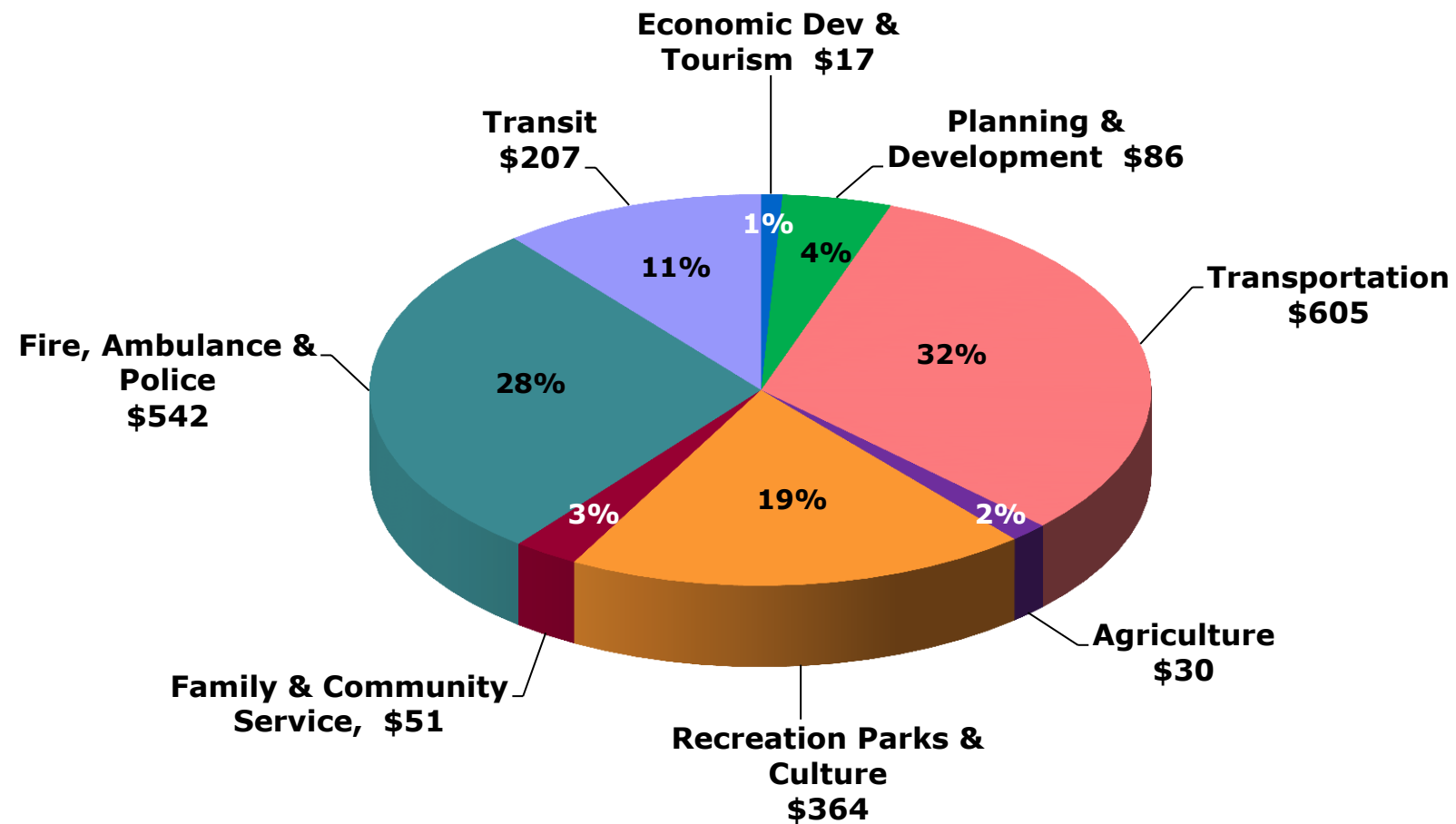
Source: 2016 Operating Budget

Putting your tax dollars to work

Annual tax dollars per sample single family household

Total \$1,902/year

(sample household assessed value \$446,000)



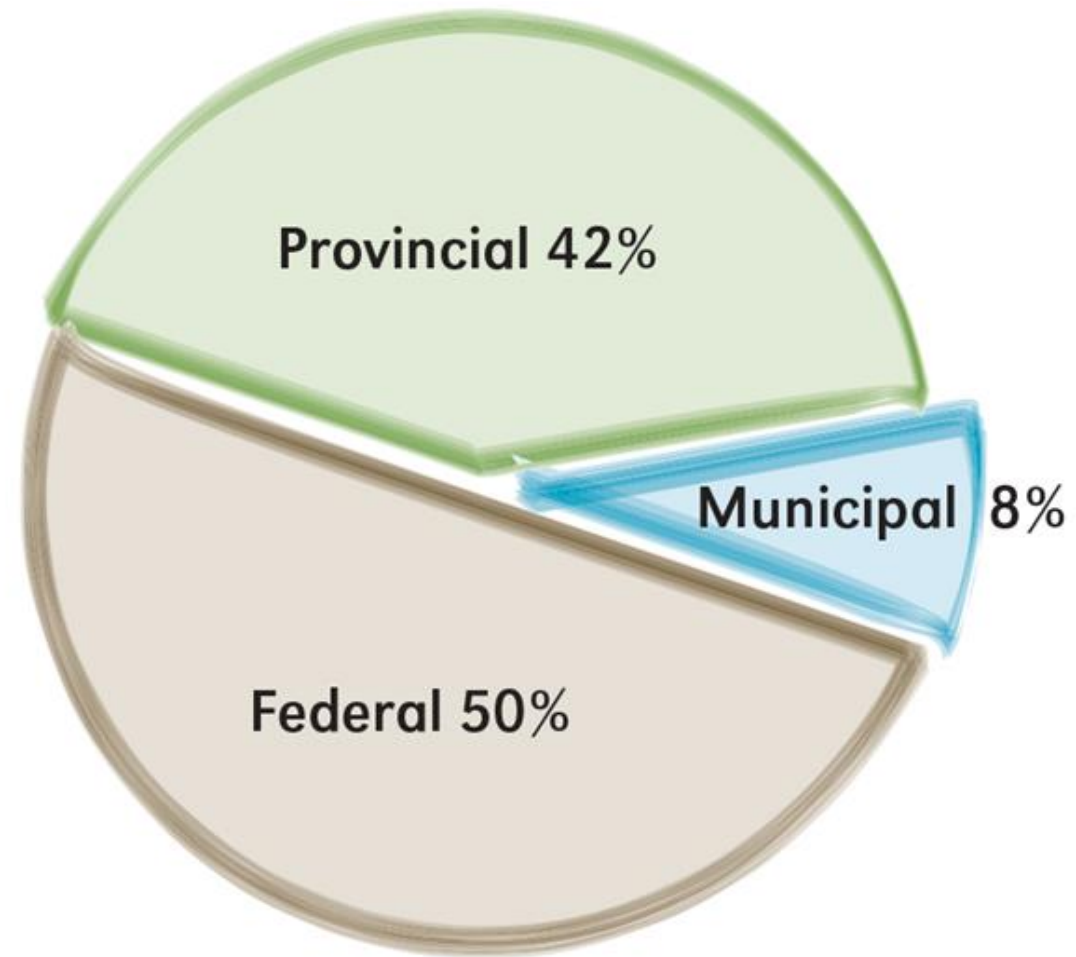
Source: 2016 Operating Budget

Many municipal services – great value

A sample single family residential property will pay approximately \$159 a month for municipal services.

Roads	\$	51 / month
Fire, Ambulance, Police	\$	45 / month
Recreation, Parks, Culture	\$	30 / month
Transit	\$	17 / month
Planning Services	\$	7 / month
Agricultural Services	\$	3 / month
Community Social Programs	\$	4 / month
Economic Development, Tourism	\$	2 / month
Strathcona County Municipal Services	\$	159/ month

Where your tax dollars go



Municipal governments receive about 8 per cent of all government tax revenues.

Source: Federation of Canadian Municipalities (FCM) 2005

Communication

- Media Release
- Brochure “Understanding your Property Taxes”
- Website
 - Tax calculation tool
 - Assessment mapping tool
 - Frequently asked questions
- Newspaper advertising
- Residents with questions are encouraged to contact the Assessment and Tax department for more information

Questions