Strathcona County
Financial Update

April 21, 2020
Agenda

Anticipated/Potential Revenue Losses

Debt and Capital Funding

Property tax discussion
  - deferrals – taxes/penalties
  - 2020 tax rate bylaw – options and impacts
## Anticipated/Potential Revenue Losses

<table>
<thead>
<tr>
<th>Month</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPC revenues (all)</td>
<td>2,200,000</td>
<td>1,600,000</td>
<td>1,295,000</td>
<td>1,922,000</td>
<td>1,448,000</td>
<td>1,987,000</td>
<td>10,452,000</td>
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<tr>
<td>PDS User Fees</td>
<td>250,000</td>
<td>290,000</td>
<td>300,000</td>
<td>300,000</td>
<td>300,000</td>
<td>325,000</td>
<td>1,765,000</td>
</tr>
<tr>
<td>RCMP Penalties and Fines</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td>1,200,000</td>
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<tr>
<td>Investment income</td>
<td>90,000</td>
<td>120,000</td>
<td>250,000</td>
<td>630,000</td>
<td>650,000</td>
<td></td>
<td>1,740,000</td>
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<tr>
<td>Transit Fares Suspended</td>
<td>450,000</td>
<td>340,000</td>
<td>340,000</td>
<td>280,000</td>
<td>270,000</td>
<td>82,000</td>
<td>1,762,000</td>
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<tr>
<td>Utility bill penalties</td>
<td>8,000</td>
<td>8,000</td>
<td>8,000</td>
<td></td>
<td></td>
<td></td>
<td>24,000</td>
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<tr>
<td>Penalties on taxes</td>
<td></td>
<td></td>
<td></td>
<td>210,000</td>
<td>280,000</td>
<td>330,000</td>
<td>820,000</td>
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<tr>
<td>Community Centre rentals and parking</td>
<td>12,000</td>
<td>12,000</td>
<td>22,000</td>
<td>22,000</td>
<td>22,000</td>
<td>22,000</td>
<td>112,000</td>
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<tr>
<td>Total</td>
<td>3,210,000</td>
<td>2,570,000</td>
<td>2,415,000</td>
<td>3,564,000</td>
<td>3,170,000</td>
<td>2,946,000</td>
<td>17,875,000</td>
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Debt limits

MGA legislated debt limit – December 31, 2019 - $560.5 million

Strathcona Policy debt limit – December 31, 2019 - $448.4 million

Actual Outstanding Debt - December 31, 2019 - $162.2 million

Actual Outstanding Debt – March 31, 2020 - $159.0 million
Debt and Capital Funding

Debt projections
As at April 20, 2020 (in thousands of dollars)

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<tbody>
<tr>
<td>Current Existing Debentures</td>
<td>158,982</td>
<td>(8,413)</td>
<td>150,569</td>
<td>(11,683)</td>
<td>146,143</td>
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<tr>
<td>Projects with spending already occurred</td>
<td>1,657</td>
<td>1,657</td>
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<tr>
<td>Approved projects with projected spending</td>
<td>5,600</td>
<td>5,600</td>
<td>16,724</td>
<td>16,724</td>
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<td></td>
<td></td>
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<tr>
<td>Total Projected Outstanding Debt</td>
<td>158,982</td>
<td>7,257</td>
<td>(8,413)</td>
<td>157,826</td>
<td>16,724</td>
<td>(11,683)</td>
<td>162,867</td>
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Property Tax Discussion

Deferrals – taxes and penalties

2020 Tax Rate Bylaw – options and impacts

Potential impact of non-payment of taxes
Property Tax Discussion

An amendment to accommodate the mandatory GOA deferral program.

An amendment, for a complementary & optional generalized tax penalty deferral program (3 month deferral and 50% reduction in aggregate penalty percentages):

- October 1/2020 @ 3% (current year 2020 penalties)
- November 1/2020 @ 3% (current year 2020 penalties)
- December 1/2020 @ 3% (current year 2020 penalties)
Recommendation

THAT by the May 5, 2020 Council meeting, Administration provide a bylaw for Council’s consideration, that will delay and amend the imposition of penalties under Bylaw 46-2011 (Late Payment Penalties) for the remainder of 2020 as follows:

October 1 - three percent (3%)
November 1 - three percent (3%)
December 1 - three percent (3%)
Property Tax Discussion

Impact of approved tax increases

Budgeted - Municipal - 1.21%

Budgeted - Library - 0.81%

Tax decrease – residential – 1.13%

Tax decrease – non-residential – 2.68%
Property Tax Discussion

Impact of no tax increases

Tax decrease – residential – 1.87%

Tax decrease – non-residential – 3.50%

A 1.21% budget reduction represents $2.6 million revenue reduction.
Questions