

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

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

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)							
	2020			2021			
	Mar 31, 2020 Outstanding Debt	Projected 2020 Borrows	Principal Payments	Projected Dec 31, 2020 Outstanding Debt	Projected 2021 Borrows	Principal Payments	Projected Dec 31, 2021 Outstanding Debt
Current Existing Debentures	158,982		(8,413)	150,569		(11,683)	146,143
Projects with spending already occurred		1,657		1,657			
Approved projects with projected spending		5,600		5,600	16,724		16,724
Total Projected Outstanding Debt	158,982	7,257	(8,413)	157,826	16,724	(11,683)	162,867

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