




Request for Decision

Title	2017 Linear Assessment Year Modifiers
Proposed Motion	That Council authorize the Mayor to sign and submit the letter as presented on behalf of Council to the Minister of Municipal Affairs, requesting a plan to ensure a transparent, timely and consistent development of the assessment year modifiers for linear property which supports the position of AAMDC.
Administrative Recommendation	Administration recommends that Council authorize the Mayor to sign and submit the letter as presented on behalf of Council to the Minister of Municipal Affairs, requesting a plan to ensure a transparent, timely and consistent development of the assessment year modifiers for linear property which supports the position of AAMDC.
Previous Council Direction	<u>January 12, 2016</u> Motion 015/16: That Council endorses the recommended resolutions regarding provincial notice period for linear assessment modifier adjustments and refers it to the January 18, 2016, Alberta Association of Municipal Districts and Counties (AAMD&C) Pembina Zone Meeting for consideration.
Report	<p><u>Background</u></p> <p>Property assessments are adjusted yearly to reflect increases and decreases in market value, or as in the case of industrial and linear properties, changes in estimated costs to construct or build a specific property. It is a common principle that in times of economic downturn, when costs of construction and materials drops, the assessment reflects the trend by applying a reduced assessment year modifier (AYM). This occurred in 2015 and 2016 when we realized significant drops in the linear AYMs.</p> <p>Understanding the fair and equitable assessment system, Sturgeon County sent a resolution to increase notification of AYM sooner in the year rather than after budgets have been passed.</p> <p>Draft assessment year modifiers from Municipal Affairs are calculated by industry experts reviewing the changes in construction costs. Assessment Services uses the draft AYMs to predict current year linear assessments for budget approval. This year’s modifiers were circulated in October. These draft AYMs revealed an increase in pipelines by approximately 10% and wells by approximately 18%.</p>

	<p>The 2017 Minister’s Guidelines for Linear Property, Machinery and Equipment, Railway and Farm Land were approved on December 19, 2017 and did not include the recommended increases. The analyses provided by industry experts, paid under this ministry, were apparently disregarded.</p> <p>The last update from Municipal Affairs Linear Branch revealed Fox Creek pipeline is operational and will be added to Sturgeon County’s 2017 assessment roll. While Sturgeon County is fortunate to have a project completed and recognize a linear assessment increase, this is not the same for other municipalities. If the growth in assessment from the Fox Creek pipeline was not added, Sturgeon County would be in the same situation as other rural municipalities in Alberta with linear assessment considerably below what was estimated.</p> <p>Letters written to the Minister of Municipal Affairs from other municipalities and associations include:</p> <ul style="list-style-type: none"> • County of Wetaskiwin - January 15, 2018; • Red Deer County - January 16, 2018; • AAMDC – January 28, 2018 (attached). <p>The attached letter has been reviewed by RMRF.</p>
<p>Implication of Administrative Recommendation</p>	<p><u>Strategic Alignment:</u></p> <p>Strong Local Governance and Regional Leadership - authorization to sign and submit the letter to the Minister of Municipal Affairs, requesting a plan to ensure a transparent, timely and consistent development of the assessment year modifiers for linear property which supports the position of AAMDC implies Council and Administration actively participates, influences and represents Sturgeon County’s interests at the provincial level.</p> <p><u>Organizational:</u></p> <p>No change</p> <p><u>Financial:</u></p> <p>None, Assessment Services remained conservative when calculating the assessment estimates used for budget preparation.</p>
<p>Alternatives Considered</p>	<p>Status quo.</p>
<p>Implications of Alternatives</p>	<p><u>Financial:</u></p> <p>Without a transparent, timely and consistent development of the assessment year modifiers this shifts the tax burden to other assessed properties.</p>
<p>Follow up Action</p>	<p>Council authorizes Mayor to sign and submit letter to the Minister of Municipal Affairs.</p>

Attachment(s)	1. Letter to Minister of Municipal Affairs 2. AAMDC Letter to Minister of Municipal Affairs
----------------------	--

Report Reviewed by:	 Arla Pirtle, AMAA, CAE Manager, Assessment Services  Rick Wojtkiw, GM Corporate Support  Bill Minnes, County Commissioner - CAO
----------------------------	---

Strategic Alignment Checklist

Vision: Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.

Mission: Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.

Focus Areas	Not consistent	N/A	Consistent
Strong Local Governance and Regional Leadership			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Consistent with neighborhood role (see MDP), master plans,, policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers fiscal stability and sustainability</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Has a positive impact on regional and sub-regional cooperation</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Respect the Natural Environment			
<i>We acknowledge the importance of a healthy environment and will minimize and monitor our impact on ecosystems (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Compliance with Provincial and Federal regulations and/or legislation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Ensure effective environmental risk management</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Identity & Spirit			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan, (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes and/or enhances residents' identification with Sturgeon County</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Enhances service provision through community partnerships</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports Sturgeon County's cultural history</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Planned Growth and Prosperity			
<i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers cumulative costs and long-term funding implications</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Targets growth around current or planned infrastructure</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe, secure community, where our residents are respected and provided with access to opportunities. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Positive impact on residents' quality of life</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports and promotes volunteer efforts</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Provides programs and services that are accessible to all residents</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<i>We have the organizational capability to deliver consistent and defined levels of service to all stakeholders in a professional, efficient, and cost effective manner</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Staff have the knowledge, skills and capability to perform their jobs</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Streamlines operational processes and policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes engagement and professional interaction with stakeholders</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>