

Request for Decision

Title	Bylaw 1434/19 - 2019 Taxation Rates (Second and Third Reading)
Proposed Motion	<p>1. That Council give second reading of Bylaw 1434/19 - 2019 Taxation Rates.</p> <p>2. That Council give third reading of Bylaw 1434/19 - 2019 Taxation Rates.</p>
Administrative Recommendation	That Council approve the bylaw in a manner that is consistent with the budget and fiscal planning direction through Council's approval of the 2019 Budget, Fiscal Framework and Reserve Policy.
Previous Council Direction	<p>April 9, 2019 - Motion 103/19: That Council give first reading of Bylaw 1434/19 - 2019 Taxation Rates.</p> <p>January 22, 2019 - Motion 022/19: That Council give third reading to Bylaw 1430/19, Supplementary Assessment Bylaw 2019.</p> <p>December 11, 2018 - Motion 386/18: That Council approve the 2019 Operating and Capital Budgets as amended by motions passed at the November 30, 2018 and December 11, 2018 Council Budget Meetings represented by a 0% change to tax rates.</p> <p>October 23, 2018 – Motion 302/18: That Council give third reading to Bylaw 1422/18 (Penalties on Unpaid Municipal Taxes).</p> <p>August 27, 2013 – Motion 360/13: That County Council approves the document titled "Summary of Fiscal Principles, Practices, and Policies" as the working document used to guide Administration in the planning and execution of County affairs.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • Council gave first reading of Bylaw 1434/18 – 2019 Taxation Rates on April 9, 2019. • The 2019 Taxation Rates Bylaw proposes a 0% increase in municipal property taxes, the same percentage increase presented in the budget.

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- This bylaw reinforces Council's direction to respect residents and minimize the impact taxes present in a poor provincial economic climate.
 - In accordance with the Summary of Fiscal Principles, Practices and Policies, Sturgeon County takes a conservative approach to estimating assessment for budget purposes and taxation.
 - Assessments used for budget purposes are estimated approximately eight (8) months prior to the availability of final figures. The estimate is required to gain an understanding of the net impact the budget will have on property taxation in the County.
 - Municipal taxes are the most important single source of revenue for Sturgeon County. Approximately 76% of operating revenues in 2019 will be derived from municipal property taxes.
 - Overall increase in assessment values from the 2018 to 2019 was 0.4% for residential and 3.2% for non-residential.
 - The Sturgeon Refinery revenue was not included in the tax rate bylaw development as the plant is not yet commissioned. The estimated \$30 million of refinery revenue identified during the budget cycle was allocated to capital projects and reserves and as such, will not impact the operating budget.
 - As was the case in the 2018 Taxation Rates Bylaw, a minimum tax of \$25 is included in the 2019 taxation year to address the cost of assessing and maintaining tax records on properties that pay less than \$25 in municipal taxes.




Requisitions

- The Alberta School Foundation Fund requisition has not been received from the Province. Following the election and passing of the provincial budget, municipalities will receive their respective education requisitions. For the development of the 2019 Tax Rate Bylaw, Administration has estimated using last year's requisition plus 3% to develop the bylaw. If a variance exists between Administration's estimated and the actual requisition, the amount will be captured through the over under levy for adjustment in 2020.
- The Homeland Housing requisition increased by 6%.
- The Designated Industrial Property requisition increased by 57%. This is determined by the Province of Alberta.

External Communication

- Tax notices will be mailed Thursday, May 23, 2019 (Financial Services).

	<ul style="list-style-type: none"> An advertisement will be placed in local newspapers and on the County's website notifying rate payers that notices have been mailed (Communications). <p><u>Relevant Policy/Legislation/Practices:</u></p> <ul style="list-style-type: none"> Section 353 of the <i>Municipal Government Act</i> requires that Council pass a property tax bylaw annually. Summary of Fiscal Principles, Practices and Policies 2019 Supplementary Assessment Bylaw 1430/19 Penalties on Unpaid Municipal Taxes Bylaw 1422/18
Implication of Administrative Recommendation	<p><u>Strategic Alignment:</u></p> <p>Strong Local Governance and Regional Governance –The passing of the bylaw ensures that Sturgeon County is financially stable and fiscally sustainable by having a financial policy that determines the funding sources.</p> <p><u>Organizational:</u></p> <ul style="list-style-type: none"> The due date for tax payments will be June 28, 2019 (last business day in June). Printing of tax notices will commence early May. Combined tax/assessment notices must be ready for mailing May 23, 2019. Assessment complaints must be submitted by July 30, 2019. <p><u>Financial:</u></p> <ul style="list-style-type: none"> The County will raise \$67.6 million in total property tax revenue including requisitions (Note: 2018 – \$66.8 million). General municipal property taxes amount to \$50,061,338 (Note: 2018 – \$49.3 million). The 2019 Homeland Housing requisition of \$680,093, which increased by 6%, has been received (Note: 2018 – \$642,749). The 2019 Alberta School Foundation requisition is estimated at \$16,619,992 net of the 2018 over under levy (Note: 2018 – \$16,352,548). The 2019 Designated Industrial Property requisition of \$150,498 increased by 57% due to tax rate increase as well as assessment (Note: 2018 – \$66,414).
Alternatives Considered	That Council modify the ratio between residential and non-residential municipal property tax rates.
Implications of Alternatives	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> Unknown – alternative dependent.

	<p><u>Organizational:</u></p> <ul style="list-style-type: none"> • Due date for tax payments will be June 28, 2019 (last business day in June). Printing of tax notices will commence early May. • Combined tax/assessment notices must be ready for mailing May 23, 2019. Assessment complaints must be submitted by July 30, 2019. <p><u>Financial:</u></p> <ul style="list-style-type: none"> • None.
<p>Follow up Action</p>	<p>1. Mail out tax/assessment notices.</p>
<p>Attachment(s)</p>	<ol style="list-style-type: none"> 1. Bylaw 1434/19 - 2019 Taxation Rates 2. Summary of Fiscal Principles, Practices and Policies 3. Bylaw 1430/19 - Supplementary Assessment Bylaw 4. Bylaw 1422/18 - Penalties on Unpaid Municipal Taxes
<p>Report Reviewed by:</p>	<div data-bbox="532 737 857 814">  </div> <div data-bbox="532 825 1047 856"> <p>Ed Kaemingh, Manager, Financial Services</p> </div> <div data-bbox="532 894 776 1031">  </div> <div data-bbox="532 1068 1166 1100"> <p>Rick Wojtkiw, General Manager, Corporate Support</p> </div> <div data-bbox="532 1138 743 1274">  </div> <div data-bbox="532 1291 1144 1323"> <p>Reegan McCullough, County Commissioner – CAO</p> </div>

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
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 and MDP pg. 36)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Supports a strong thriving business environment to strengthen our economic foundation 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Plans for responsible growth through the MDP and regional growth plan. 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Manages growth for current and future developments through: <ul style="list-style-type: none"> transparent bylaws, policies and processes to enable responsible land development targeting growth around existing and identified future growth areas 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe and viable community, where our residents are provided with access to opportunities and quality of life. (Strategic Plan and pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Provides access to programs and services that have a positive impact on residents' quality of life 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Provides access to safe and reliable infrastructure assets 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Supports the safety of people and property 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Strong Local and Regional Governance			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan and pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Provides effective leadership and management consistent with Strategic Plan, MDP, master plans, bylaws, policies, community engagement 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Considers fiscal stability and sustainability 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Fosters collaborative intergovernmental partnerships 	<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 and MDP pg. 27)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Promotes and/or enhances residents' identification with Sturgeon County 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Support and/or collaborate with voluntary organizations in the region 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Environmental Stewardship			
<i>We foster a healthy environment and minimize our impact on ecosystems. (Strategic Plan and MDP pg. 27)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Plans and partnerships that minimize environmental impact on natural areas 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Provides awareness of environmental issues impacting the County 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>