

**Town of Bon Accord
AGENDA
Special Meeting of Council
April 25, 2022 6:00 p.m.
Live streamed on Bon Accord YouTube channel**

- 1. CALL TO ORDER**
- 2. ADOPTION OF AGENDA**
- 3. BYLAWS**
 - 3.1. 2022 Rates of Taxation Bylaw 2022-08 (enclosure)**
- 4. ADJOURNMENT**

TOWN OF BON ACCORD
REQUEST FOR DECISION

Meeting:	Special Meeting of Council
Meeting Date:	
Presented by:	Falon Fayant, Corporate Services Manager
Title:	2022 Rates of Taxation Bylaw 2022-08
Agenda Item No.	3.1

BACKGROUND/PROPOSAL

Administration presented Council with three different scenarios for the Rates of Taxation Bylaw 2022-08 – Administration requires direction for which Scenario to use in preparing the 2022 Rates of Taxation Bylaw 2022-08 for first, second, and third and final reading.

In Review

April 19, 2022 Regular Meeting of Council (RMC) → Bylaw 2022-08 presented with 0% increase in rates (Scenario A).

COUNCILLOR MAY MOVED THAT Council gives first reading to the 2022 Rates of Taxation Bylaw 2022-08, with Scenario A, as presented. In Favour: Deputy Mayor Laing, Councillor May; Opposed: Mayor Holden, Councillor Bidney. *Defeated Resolution #22-176.*

April 5, 2022 RMC → Bylaw 2022-08 presented for 2nd and 3rd reading with Scenario C rates at the budgeted 1.27% increase.

COUNCILLOR BIDNEY MOVED THAT Council gives second reading to the 2022 Rates of Taxation Bylaw 2022-08 as presented. In Favour: Mayor Holden, Councillor Bidney. Opposed: Deputy Mayor Laing, Councillor May, Councillor Roemer. *Defeated, Resolution #22-150.*

COUNCILLOR MAY MOVED THAT Council direct administration to revisit the Taxation Bylaw, changing from Scenario C to Scenario A, and arrange a Special Meeting of Council with proper advertising, where Council can restart the bylaw at first reading. Resolution #22-151. Due to scheduling conflicts, Council and administration were unable to schedule a special meeting and Bylaw 2022-08 was moved to the April 19 Regular Meeting of Council. This motion was rescinded at the April 19 RMC by Resolution #22-175.

March 15, 2022 RMC → Bylaw 2022-08 presented for first reading, and three different tax rate scenarios for Council consideration.

COUNCILLOR BIDNEY MOVED THAT Council give first reading to the Rates of Taxation Bylaw 2022-08, as amended, with scenario C rates. In favour: Mayor Holden, Councillor Bidney, and Councillor Roemer. Opposed: Deputy Mayor Laing, Councillor May. Resolution #22-119.

The annexed properties are shown with a 1.8% increase per the 1st and 2nd reading of Sturgeon County's taxation bylaw. The Town of Bon Accord's annexed lands are to be taxed as though they remained in Sturgeon County per Section 5(2) of Order in Council 032/2018 until the year 2069. To follow the recommended procedure from Municipal Affairs regarding the annexed properties, the Town should wait until Sturgeon County passes their taxation bylaw before passing our taxation bylaw. As such, the Town will align with Sturgeon County's timeline. Sturgeon County's timeline per their website is to pass their taxation bylaw by the end of April and then send tax notices out by May 21st. This does not affect the June 30th deadline.

Overall assessments for the Town of Bon Accord for 2022 have increased by 3% from 2021. 2021 assessment totals were \$141,475,070 and 2022 assessment totals are \$146,248,510. Historically, assessments have been decreasing by an average of 2% every year since 2019.

At the Special Meeting of Council December 14, 2021, Council approved the budget where \$1,536,839 was to be raised by general municipal taxation.

The 2022 Alberta School Foundation Requisitions (ASFF) are \$364,710 for residential/farmland and \$25,631 for non-residential for a total of \$392,268 to be remitted, plus an additional under-levy of \$20,915 from the previous year. The ASFF values are based on the equalized assessment released by the Alberta Government, and the Town has no control over these values.

The 2022 Homeland Housing requisition is \$12,616 and is also based upon the equalized assessment values, and the Town has no control over these values.

The designated industrial property requisition levy rate (from the Government of Alberta) has not increased from 2021. The rate is 0.0000766. Values under \$1,000 are not expected to be remitted back to the government but are to be collected by the municipality.

Per Section 353 of the MGA

- (1) Each Council must pass a property tax bylaw annually.
- (2) The property tax bylaw authorizes the Council to impose a tax in respect of property in the municipality to raise revenue to be used toward the payment of
 - (a) the expenditures and transfers set out in the budget of the municipality, and
 - (b) the requisition

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES

Administration presented three different scenarios for Council's consideration.

Scenario A represents a 0% increase for all classes and would raise \$32,667¹ more than the expected budget value.

The impact of the rates of Scenario A on the average residential, commercial, and farmland properties is shown in the following table:

	2021 Assessment	2021 Municipal Levy	2022 Assessment	2022 Municipal Levy	Variance
Average Residential	250,664	\$ 2,588.74	257,593	\$ 2,660.30	\$ 71.56
Average Commercial	352,041	\$ 6,703.38	375,164	\$ 7,143.67	\$ 440.30
Average Farmland	10,533	\$ 521.24	10,533	\$ 521.24	\$ -

*** These values are the average values from the Town's assessor taken from the Town as a whole and are not representative of a specific property or person.*

The monthly affect for the average residential property is a cost increase of \$5.97 per month, an increase of \$36.70 for the average commercial property, and no change for the average farmland property.

Scenario B

The tax rates from Scenario B would collect the budgeted dollar value (or as close as could possibly be calculated) of \$1,536,845 (slight difference of \$6). These tax rates also represent a decrease of approximately 2.09% for residential/farmland and 2.08% for non-residential/M&E.

The impact of these rates on the average residential, commercial, and farmland properties is shown in the following table:

	2021 Assessment	2021 Municipal Levy	2022 Assessment	2022 Municipal Levy	Variance
Average Residential	250,664	\$ 2,588.74	257,593	\$ 2,604.70	\$ 15.96
Average Commercial	352,041	\$ 6,703.38	375,164	\$ 6,995.09	\$ 291.71
Average Farmland	10,533	\$ 521.24	10,533	\$ 510.35	-\$ 10.89

*** These values are the average values from the Town's assessor taken from the Town as a whole and are not representative of a specific property or person.*

¹ The calculated surplus does not include the annexed properties as the final rates from Sturgeon have not yet passed. Any increase from the annexed properties is expected to be minimal. At Sturgeon's 1.8% proposed rate, the increase for these properties would be a total of \$330.

The monthly affect for the average residential property is a cost increase of \$1.33 per month, an increase of \$24.31 for the average commercial property, and a decrease of \$0.91 for the average farmland property.

Scenario C

Scenario C represents the increase of 1.27% for all classes, which was the expected increase when preparing the budget, to collect the expected budgeted tax revenue. Because assessments came in higher than expected, should Council collect the budgeted 1.27% increase, Scenario C would raise \$52,521² more than the expected budgeted value.

The impact of the rates of Scenario C on the average residential, commercial, and farmland properties for the year is shown in the following table:

	2021 Assessment	2021 Municipal Levy	2022 Assessment	2022 Municipal Levy	Variance
Average Residential	250,664	\$ 2,588.74	257,593	\$ 2,694.08	\$ 105.35
Average Commercial	352,041	\$ 6,703.38	375,164	\$ 7,234.40	\$ 531.02
Average Farmland	10,533	\$ 521.24	10,533	\$ 527.86	\$ 6.62

*** These values are the average values from the Town's assessor taken from the Town as a whole and are not representative of a specific property or person.*

The monthly affect for the average residential property is a cost increase of \$8.78 per month, an increase of \$44.25 for the average commercial property, and a decrease of \$0.55 for the average farmland property.

As previously discussed, the main reasons to consider Scenario A or C are the impacts to the budget that administration and Council were previously unaware of during the budget consideration:

- Public works – fuel increases and snow removal operation increases.
- Administration – town security system requires an upgrade.
- Current year capital projects– with the rising cost of inflation and fuel the total cost to complete the anticipated capital projects may be higher than expected, and our MSI capital funds are lower than what was expected.
- Transfers to reserves – savings for future growth and aging infrastructure repairs.
- Inflation increases across all areas are both higher than expected and higher than budgeted. In January, Canadian inflation was at 5.1% and 5.7% for February, and Alberta was at 4.8% in January and 5.5% in February. At the time of budget deliberations, 2021 inflation was 4% for Alberta and 4.4% for Canada.

² The calculated surplus does not include the annexed properties as the final rates from Sturgeon have not yet passed. Any increase from the annexed properties is expected to be minimal. At Sturgeon's 1.8% proposed rate, the increase for these properties would be a total of \$330.

Setting the rates of taxation is an opportunity to invest in the community – for current growth and maintenance and saving for future growth and infrastructure.

Tax rate planning strategies allow for slow, continual growth in line with inflation and with strategic plans and the growth of the community, rather than large gaps of stagnancy which then require large increases to catch up to inflation.

STRATEGIC ALIGNMENT

Priority #3 Town of Bon Accord is maintaining and improving all infrastructure in a fiscally responsible manner.

Professionalism – administration and Council manage the affairs of Bon Accord in a competent, reliable manner, to maintain a safe and prosperous community to work and live.

COSTS/SOURCES OF FUNDING

Tax revenue to be raised is a major source of budget revenue.

RECOMMENDED ACTION (by originator)

THAT...Council directs administration to bring back the 2022 Rates of Taxation Bylaw 2022-08 with a 0% increase (*Scenario A rates*) for all three readings at the next regular meeting of Council.

Or

THAT...Council directs administration to bring back the 2022 Rates of Taxation Bylaw 2022-08 with a 1.27% increase (*Scenario C rates*) for all three readings at the next regular meeting of Council.

Or

THAT...Council directs administration to bring back the 2022 Rates of Taxation Bylaw 2022-08 with a 2.09% decrease (*Scenario B rates*) for all three readings at the next regular meeting of Council.