



Town of Onoway Request for Decision

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| Meeting: | Council Meeting |
| Meeting Date: | May 9, 2024 |
| Presented By: | Gino Damo, Director of Corporate and Community Services |
| Title: | 2024 Property Tax Rate Bylaw # 811-24 *Updated* |

BACKGROUND / PROPOSAL

During the April 11, 2024, Council Meeting, Council made the following motion regarding the 2024 Operating Budget:

Motion #106/24:

MOVED by Councillor Robin Murray that Council approve the 2024 Operating Budget as presented with a 3.88% increase.

CARRIED

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES **2024 Operating Budget**

The 2024 Operating Budget proposed a 3.88% (4.05%-Amortization & (4.75%)-Expenses & 4.58%-Reserves) operational base tax revenue increase.

For the average residential home (assessment value of \$188,000 in 2023) this results in approximately a \$2/month or \$24/year **increase** for the general municipal portion.

Since the RFD and bylaw were previously provided to Council and made public, updates were made as follows:

- tax revenue budget document: At the time of the 2024 Operating budget approval, the amounts presented in GL's 1-00-00-111 to 1-00-00-190 were still the 2023 approved budget numbers. The next step after the meeting was for Administration to calculate or balance the above GL's so that the estimated revenue "*must be at least sufficient to pay the estimated expenditures and transfers under subsection (1)*" as per MGA s.243ss.3 as shown below. As part of the property tax rate bylaw, this document is being presented to Council for approval.

Budgets

Adoption of operating budget

242(1) Each council must adopt an operating budget for each calendar year by January 1 of that calendar year.

(2) A council may adopt an interim operating budget for part of a calendar year.

(3) An interim operating budget for a part of a calendar year ceases to have any effect when the operating budget for that calendar year is adopted.

RSA 2000 eM-26 s242:2022 e16 s9(53)

Contents of operating budget

243(1) An operating budget must include the estimated amount of each of the following expenditures and transfers:

- (a) the amount needed to provide for the council's policies and programs;
- (b) the amount needed to pay the debt obligations in respect of borrowings made to acquire, construct, remove or improve capital property;
- (b.1) the amount of expenditures and transfers needed to meet the municipality's obligations as a member of a growth management board;
- (c) the amount needed to meet the requisitions or other amounts that the municipality is required to pay under an enactment;
- (c.1) the amount of expenditures and transfers needed to meet the municipality's obligations for services funded under an intermunicipal collaboration framework;

(d) if necessary, the amount needed to provide for a depreciation or depletion allowance, or both, for its municipal public utilities as defined in section 28;

(e) repealed 2022 c16 s9(54);

(f) the amount to be transferred to the capital budget;

(g) the amount needed to recover any shortfall as required under section 244.

(2) An operating budget must include the estimated amount of each of the following sources of revenue and transfers:

(a) property tax;

(b) business tax;

(c) business improvement area tax;

(c.1) community revitalization levy;

(d) special tax;

(e) well drilling equipment tax;

(e.1) clean energy improvement tax;

(f) local improvement tax;

(f.1) community aggregate payment levy;

(g) grants;

(h) transfers from the municipality's accumulated surplus funds or reserves;

(i) any other source.

(3) The estimated revenue and transfers under subsection (2) must be at least sufficient to pay the estimated expenditures and transfers under subsection (1).

- The property tax rate bylaw previously sent contained tax levy numbers from the approved 2024 Operating budget i.e. 2023 approved budget numbers therefore Administration updated the attached property tax rate bylaw by including the "balanced" tax revenue amounts in order to meet the above highlighted MGA section. These new amounts influenced the other numbers as highlighted within the various sections of the bylaw.
- Class 1 Residential - Improved section originally contained Farmland and changed to Multi-Family and the Subtotal amount in Class 2 was changed from \$36,097,070 to \$34,032,770.
- Minimum Tax was changed from \$19,731 to \$17,582 as a result of the changes in the tax levy and mill rate. The reason for this decrease is the minimum tax was no longer applicable.
- The above changes had no effect on the ASFF, LSA Seniors Foundation and DIP rates, assessment, tax levy, and the total tax levy amounts.

Due to my absence, the next step in balancing the tax revenues in the 2024 operating budget as mentioned above was not known by CAO Thompson so we apologize.

STRATEGIC ALIGNMENT

Fiscal Sustainability

COSTS / SOURCE OF FUNDING

General Municipal Tax Levy- \$1,444,238.

Alberta School Foundation Fund - \$307,561.

Lac Ste Anne Foundation - \$30,840.

RECOMMENDED ACTION

- That Council amend the 2024 Operating Budget by approving the Total Taxation Revenue as presented.
- That Bylaw # 811-24 the Property Tax Rate Bylaw be given first reading.
- That Bylaw # 811-24 the Property Tax Rate Bylaw be given second reading.
- That Bylaw # 811-24 the Property Tax Rate Bylaw be considered for third reading at this meeting.
- That Bylaw # 811-24 the Property Tax Rate Bylaw be given third reading and adopted.
- (Or some other direction as given by Council at meeting time).

ATTACHMENTS

- a) 2024 Total Taxation Revenue.
- b) Proposed Bylaw # 811-24 – Property Tax Rate Bylaw.
- c) 2024 Assessment Summary.

BYLAW NO. 811-24
Town of Onoway
Municipal Government Act RSA 2000 Chapter M-26

BEING A BYLAW OF THE TOWN OF ONOWAY TO AUTHORIZE THE SEVERAL RATES OF TAXATION IMPOSED FOR ALL PURPOSES FOR THE YEAR 2024

WHEREAS the total requirements for the Town of Onoway in the Province of Alberta as shown in the budget estimates, rounded to the nearest dollar where applicable, are as follows:

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|--|------------------------------|
| Municipal General (incl Provincial Policing of \$51,417.00) | 3,683,927.00 |
| Lac Ste. Anne Foundation Seniors Housing Residential Requisition | 21,897.00 |
| Lac Ste. Anne Foundation Seniors Housing Non-Residential Requisition | 8,943.00 |
| ASFF Residential School Requisition | 198,356.00 |
| ASFF Non-Residential School Requisition | 113,692.00 |
| Designated Industrial Property Requisition | 284.00 |
| TOTAL: | <u>\$4,027,099.00</u> |

WHEREAS the total taxable assessment of land, buildings and improvements, subjugated as defined in the Assessment and Assessment Sub-Classification Bylaw duly passed by Council, amounts to:

Class 1:

| | |
|----------------------------------|----------------------------|
| Residential - Improved | |
| Country Residential | \$459,710 |
| Improved Site | \$82,575,810 |
| Multi-Family | <u>\$1,085,460</u> |
| Subtotal: | \$84,120,980 |
| Residential – Vacant | <u>\$835,770</u> |
| Subtotal: | \$835,770 |
| Class 1 Total Assessment: | <u>\$84,956,750</u> |

Class 2:

| | |
|-------------------------------------|--------------|
| Non-Residential | |
| Commercial Improved Site | \$9,130,560 |
| Commercial Vacant | \$849,060 |
| Industrial Improved Site | \$20,516,000 |
| Industrial Vacant | \$501,300 |
| Non-residential Federal Land | \$0 |
| Non-residential Industrial Improved | \$0 |
| Non-residential Industrial Vacant | \$0 |
| Railway | \$51,840 |
| DIP – Non-Residential | \$667,410 |
| Linear – Electric Power Systems | \$709,860 |
| Linear– Telecommunication Systems | \$597,070 |
| Linear – Cable TV | \$ 42,690 |
| Linear – Gas Distribution Systems | \$225,380 |

BYLAW NO. 811-24
Town of Onoway
Municipal Government Act RSA 2000 Chapter M-26

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|----------------------------------|---------------------|
| Linear – Pipeline | \$741,600 |
| Subtotal: | <u>\$34,032,770</u> |
| Class 2 Total Assessment: | \$34,032,770 |

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|----------------------------------|-----------------|
| Class 3: | |
| Farmland: | |
| Farm Land | \$77,930 |
| Subtotal: | <u>\$77,930</u> |
| Class 3 Total Assessment: | \$77,930 |

| | |
|----------------------------------|------------------|
| Class 4: | |
| Machinery and Equipment | |
| Machinery and Equipment | \$9,350 |
| Subtotal: | <u>\$9,350</u> |
| DIP Machinery and Equipment | \$685,670 |
| Subtotal: | <u>\$685,670</u> |
| Class 4 Total Assessment: | \$695,020 |

| | |
|---------------------------------|---------------------|
| Exempt: | |
| School | \$26,602,000 |
| Provincial | \$2,717,900 |
| Religious | \$1,057,190 |
| Miscellaneous | \$7,755,450 |
| Municipal | <u>\$121,700</u> |
| Exempt Total Assessment: | \$38,254,240 |

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|-----------------------------|----------------------|
| TOTAL TAXABLE ASSESSMENT: | \$119,762,470 |
| TOTAL EXEMPT ASSESSMENT: | <u>\$ 38,254,240</u> |
| TOTAL MUNICIPAL ASSESSMENT: | \$158,016,710 |

WHEREAS, the estimated municipal expenditures and transfers set out in the operating budget for the Town of Onoway for 2024 total \$3,683,927 and the capital budget for the Town of Onoway for 2024 of \$443,945;

WHEREAS, the estimated taxes to be collected are \$1,467,388 is to be raised by municipal taxation of which \$23,150 is Recreation Tax.

WHEREAS, the amount of municipal taxation to be raised from a minimum amount payable on each lot of the following assessment classes of:

| | |
|---------------------------|------------------|
| Residential-Vacant: | \$1000.00 |
| Residential-Improved: | \$1000.00 |
| Farmland: | \$1000.00 |
| Non-Residential- Vacant: | \$1000.00 |
| Non-Residential-Improved: | \$1000.00 |

BYLAW NO. 811-24
Town of Onoway
Municipal Government Act RSA 2000 Chapter M-26

is estimated to be \$17,582 and the remaining \$1,426,656 is to be collected based on municipal mill rates.

WHEREAS, the rates hereinafter set out are deemed necessary to provide the amounts required for municipal, school and other purposes, after making due allowance for the amount of taxes which may reasonably be expected to remain unpaid;

WHEREAS, the Council is authorized to classify assessed property, and to establish different rates of taxation in respect to each class of property, subject to the Municipal Government Act, Chapter M26, Revised Statutes of Alberta, 2000;

The Municipal Administrator is hereby authorized and required to levy the following rates of taxation on the assessed value of all land, buildings and improvements as shown on the assessment and tax roll:

| <u>RATE</u> | <u>TAX LEVY</u> | <u>ASSESSMENT</u> | <u>TAX</u> <u>(in mills)</u> |
|----------------------------|--------------------|----------------------|---------------------------------|
| General Municipal | | | |
| Residential – Improved | 654,691 | 84,120,980 | 7.782734 |
| Residential – Vacant | 23,662 | 835,770 | 28.31161 |
| Non-residential – Improved | 647,007 | 29,646,560 | 21.82403 |
| Non-residential – Vacant | 28,282 | 1,350,360 | 20.94387 |
| Farmland | 650 | 77,930 | 8.34082 |
| Other | 72,364 | 3,730,870 | 19.39601 |
| Minimum Tax | 17,582 | | |
| TOTAL | \$1,444,238 | \$119,762,470 | |

| <u>RATE</u> | <u>TAX LEVY</u> | <u>ASSESSMENT</u> | <u>TAX</u> <u>(in mills)</u> |
|--|------------------|----------------------|---------------------------------|
| Alberta School Foundation Fund (ASFF) | | | |
| Residential/Farmland | 202,083 | | |
| Subtotal (Class 1 and 3) | 202,083 | 85,034,680 | 2.37648 |
| Non-residential | 105,478 | | |
| Subtotal (Class 2 and 4*) | 105,478 | 34,032,770 | 3.09932 |
| <i>*excludes machinery and equipment</i> | | | |
| TOTAL | \$307,561 | \$119,067,450 | |

BYLAW NO. 811-24
Town of Onoway
Municipal Government Act RSA 2000 Chapter M-26

| RATE | TAX LEVY | ASSESSMENT | TAX (in mills) |
|--|-----------------|----------------------|---------------------------|
| LSA Seniors Foundation | | | |
| Residential/Farmland | <u>21,897</u> | | |
| Subtotal (Class 1 and 3) | 21,897 | 85,034,680 | 0.25751 |
| Non-residential | <u>8,943</u> | | |
| Subtotal (Class 2 and 4*) | 8,943 | 34,727,790 | 0.25751 |
| <i>*inclusive of machinery and equipment</i> | | | |
| TOTAL | \$30,840 | \$119,762,470 | |

| RATE | TAX LEVY | ASSESSMENT | TAX (in mills) |
|---|-----------------|--------------------|---------------------------|
| Designated Industrial Property (DIP) | | | |
| Non-Residential | 284 | 3,705,960 | 0.07650 |
| Total | \$284 | \$3,705,960 | |

THAT this Bylaw shall come into force and effect upon the passing thereof.

READ a first time this ## day of May, 2024

READ a second time this ## day of May, 2024

UNANIMOUS CONSENT to proceed to third reading this day ## of May, 2024

READ a third and final time this ## day of May, 2024

SIGNED this ## day of May, 2024

 Mayor Lenard Kwasny

 Jennifer Thompson, Chief Administrative Officer



TOWN OF ONOWAY
Revenue & Expense

0% 0%

| General Ledger | Description | 2021 Actual | 2022 Actual | 2023 Actual (Jan-Dec) | 2023 Approved Budget | Growth | Inflation | Service Changes | Other | 2024 Proposed Budget | Notes |
|----------------|-------------|-------------|-------------|-----------------------|----------------------|--------|-----------|-----------------|-------|----------------------|-------|
|----------------|-------------|-------------|-------------|-----------------------|----------------------|--------|-----------|-----------------|-------|----------------------|-------|

TAXES REVENUE

| | | | | | | | | | | | |
|-------------------------------|---|----------|-----------------------|-----------------------|-----------------------|-----------------------|-------------|-------------------|-------------|--------------------|--|
| 1-00-00-111 | RESIDENTIAL TAXES | Taxation | (572,472.74) | (588,319.10) | (656,309.03) | (644,898.68) | | | (33,456.46) | (678,353.17) | Calculated and presented along with final annual budget approval and before property tax rate bylaw creation to balance. |
| 1-00-00-112 | FARMLAND TAXES | Taxation | (548.52) | (569.01) | (618.00) | (617.52) | | | (32.04) | (649.56) | Calculated and presented along with final annual budget approval and before property tax rate bylaw creation to balance. |
| 1-00-00-113 | COMMERCIAL TAXES | Taxation | (575,241.60) | (608,641.60) | (680,662.06) | (641,678.87) | | | (33,289.54) | (674,868.41) | Calculated and presented along with final annual budget approval and before property tax rate bylaw creation to balance. |
| 1-00-00-114 | INDUSTRIAL TAXES | Taxation | (248.57) | (280.43) | (280.55) | (304.96) | | | (15.82) | (320.78) | Calculated and presented along with final annual budget approval and before property tax rate bylaw creation to balance. |
| 1-00-00-120 | COST SHARE ROAD TAX | Taxation | (55,320.00) | (55,560.00) | 0.00 | 0.00 | | | | 0 | Ended in 2022 |
| 1-00-00-121 | MUNICIPAL SERVICE TAX-RECREATION | Taxation | (23,050.00) | (23,200.00) | (22,852.00) | (23,150.00) | | | | (23,150) | Calculated and presented along with final annual budget approval and before property tax rate bylaw creation to balance. |
| 1-00-00-190 | ELEC. POWER, PIPE, CABLE TV | Taxation | (64,090.13) | (51,602.63) | (51,870.68) | (72,364.00) | | | | (72,364) | Calculated and presented along with final annual budget approval and before property tax rate bylaw creation to balance. |
| 1-19-00-750 | ASFF SCHOOL REQUISITION RESIDENTIAL | Taxation | (322,184.65) | (315,902.16) | (189,866.87) | (195,547.17) | | (2,809) | | (198,356) | Based on requisition received in March 2024. |
| 1-19-00-754 | ASFF SCHOOL REQUISITION NON-RESIDENTIAL | Taxation | 0.00 | 0.00 | (117,548.00) | (120,354.99) | | 6,863 | | (113,892) | Based on requisition received in March 2024. |
| 1-19-00-751 | LSA FOUNDATION REQUISITION | Taxation | (24,151.74) | (23,531.06) | (23,395.48) | (23,491.76) | | (7,348) | | (30,839) | Based on requisition received in December 2023. |
| TOTAL TAXATION REVENUE | | | (1,837,308.15) | (1,877,605.99) | (1,723,402.66) | (1,722,405.96) | 0.00 | (3,493.89) | 0.00 | (66,793.88) | (1,792,694) |