



Legislation Text

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TAMRMS#: B06

Budget Tax Adjustments

Presented by: Diane McMordie, Director, Finance & Assessment/Chief Financial Officer

RECOMMENDATION(S)

1. That \$35,000 of Municipal Growth Revenue be transferred to the Growth Stabilization Reserve.
2. That the 2019 Final Tax Requirement of \$105,002,500 as a result of a consolidated budget of \$272,477,300 as detailed in the attachment titled "2019 Adjusted Consolidated Budget" be approved.

PURPOSE OF REPORT

The purpose of this report is for Council to review Administration's recommended amendments to the approved Operating or Capital Budgets, prior to the finalization of the annual tax levy.

ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN

Strategic Priority #1: Growth Policy Framework: Develop a robust policy framework to guide growth.

Strategic Priority #4: Infrastructure Investment: Identify and build needed capital assets.

ALIGNMENT TO LEVELS OF SERVICE DELIVERY

Financial Planning

Stewardship of development of annual operating and capital budgets for Municipal and Utility operations.

The approved operating and capital budgets shall serve as the financial plan for the City and provide Administration with the direction and resources necessary to accomplish Council's strategic direction and Council approved services and service levels in accordance with the Services and Service Levels Inventory

ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION

N/A

BACKGROUND AND DISCUSSION

Prior to the presentation of the annual Tax Bylaw for consideration, Administration presents proposed adjustments to the budget that was approved by Council in December. Amendments can arise due to circumstances that may have changed subsequent to the preparation/approval of the budgets, adjustments to estimates, Council motions, or new requirements of an emergent nature.

Municipal Property Tax and Recommended Budget Adjustments

In December 2018, Council approved a Consolidated Budget of \$272,292,300 representing a net tax requirement of \$104,819,100 resulting in an average 0.4% property tax increase.

Administration is recommending the following adjustments:

Assessment Growth - increase of \$50,000

- In finalizing the 2019 Assessment Roll, the total weighted assessment growth rate was 2.6% (initially estimated at 2.5%).
- As per policy, Assessment Growth will be applied by:
 - 30% to offset the base = \$15,000
 - 70% transferred to the Growth Stabilization Reserve = \$35,000

Council Motion Adjustment (BL-18-076) - increase revenue of \$1,600

- Council approved the Hen Bylaw 32/2018 on January 7th. The 2019 revenue budget be increased by \$1,600 for estimated license fees.

Electricity costs - increase of \$150,000

- The electricity rates are trending higher than originally budgeted due to increases in the delivery rates as communicated by Fortis and approved by the Alberta Utilities Commission effective January 1, 2019.

Administration is not recommending any adjustments to the Municipal Capital, Utility Capital or Utility Operating budgets.

The above recommendations result in an \$183,400 increase to the net tax requirement. The adjusted Consolidated Budget is \$272,477,300 and the net tax requirement is \$105,002,500. The amended average municipal tax increase will be 0.5%.

Administration will continue to monitor the revenue and expenditures within the approved budget and communicate any forecast variances through the quarterly reports.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

N/A

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

- As these budget changes are based on estimates at a point in time, the inherent risk of exceeding

or not exceeding could result in a surplus/deficit position for the City.

- The City's Financial Reserves policy is in place to ensure that fluctuations in budget estimates can be managed.

Legal / Risk:

- The final tax requirement must be established at this time in order to meet our historical and targeted timelines of passing the Tax Rate Bylaw and the issuing of Assessment and Tax notices by May 31st.

Program or Service:

None at this time.

Organizational:

None at this time.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

If Council does not wish to support the recommendation, the following alternatives could be considered:

Alternative 1. Council can motion alternate amendments to adjust the budget.

Alternative 2. That Council 'do nothing'. The current approved tax rate would not be reflective of Administration recommendations.

Report Date: May 6, 2019

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