



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

Special Council Meeting

Jubilee Centre Council Chamber
9909 Franklin Avenue, Fort McMurray

Tuesday, May 16, 2017
6:00 p.m.

Agenda

Call To Order

Bylaws

1. Bylaw No. 17/010 - 2017 Property Tax Rate Bylaw
- 3rd reading
2. Bylaw No. 17/011 - Repealing of Wood Buffalo Recovery Committee Bylaw
- 3rd reading

Adjournment



Subject: 2017 Property Tax Rate Bylaw – Bylaw No. 17/010

APPROVALS:

Philip Schofield, Regional Assessor
Annette Antoniak, Interim Chief Administrative Officer

Administrative Recommendation:

1. THAT Bylaw No. 17/010, being the 2017 Property Tax Rate Bylaw, be read a third and final time.
2. THAT Bylaw No. 17/010 be amended as outlined in Attachment 2 (Proposed Amendments to Bylaw No. 17/010 – strikethrough version, dated May 16, 2017).

Summary:

In accordance with the *Municipal Government Act*, the Regional Municipality of Wood Buffalo is required to pass a Property Tax Rate Bylaw annually for the purpose of completing the work set out in the approved Operating and Capital Budgets.

Background:

A property tax rate bylaw establishes the rates at which various property classes are to be taxed and is calculated based on the total assessment value of all taxable properties within each of the property classes throughout the Municipality. The Order in Council creating the specialized Regional Municipality of Wood Buffalo provided Council with the authority to establish a mill rate structure for each of the Urban and Rural Service Areas.

Assessment valuation standards are prescribed by the Alberta Provincial Government and are either based on a market value premise or on a regulated cost based system depending on property type. The tax levied on all residential and commercial properties is calculated by applying the tax rate against the individual property assessment which is an estimate of the market value as of July 1, 2016. Machinery and Equipment and linear property are assessed based on a regulated cost approach standard established by Ministerial Regulations.

Property taxes are levied to raise revenue to fund municipal expenditures and pay external requisitions from Alberta Education, and seniors' housing (Ayabaskaw House and Rotary House). With respect to requisitions for provincial education and seniors' housing, the requisitioning authorities' tax rates are calculated based on the amounts they request. In imposing levies, it is important to note that the Municipality simply acts as a collector of the funds and has no authority to refuse or change the amount requested by external requisitions. A typical property tax notice consists of the municipal levy, Alberta Education requisition levy and levy for seniors' housing. The exception is the Machinery and Equipment class which is exempt from the Alberta Education levy.

The total amount of property taxes paid will vary based on the actual assessment value and the respective tax rate applied.

In order to assist with understanding of the 2017 Property Tax Rate recommendations, the following clarifications are provided:

- Overall, the Residential property tax class has experienced market value reductions due to the economic downturn. Factors such as locational influences, residence type, size, development and as such, individual properties will experience differing increases or decreases in taxes. This will result in a redistribution of the tax burden amongst other properties within the assessment class.
- The Other Residential property tax class has experienced an overall reduction in the assessment base due to the economic downturn. This property class has experienced market value changes due to variations in factors such as vacancy, rents and as such, individual properties may experience differing increases or decreases in taxes.
- Market values in the Urban Non Residential property tax class experienced increases and decreases due to factors such as sales vacancy, availability, rents, development and as such, individual properties may experience differing increases or decreases in taxes.
- The majority of the Rural Non Residential tax class is comprised of Machinery and Equipment assessment. Machinery and Equipment is valued on the regulated valuation standard and is not responsive to changes in market value and would therefore not have seen the reductions in their assessments as properties valued on the market standard. The Rural Non Residential tax class has seen a significant decrease in the assessment base due to revisions in some machinery and equipment accounts. Many of these revisions have been made subsequent to second reading of the Bylaw.

The assessment base of the Municipality has been reduced as a result of market conditions, reductions in some machinery and equipment accounts and the loss in value of properties directly affected by the wildfire.

Maintaining the 2016 Property Tax Rates for 2017 maintains the tax rate ratio at 18.3:1. The 2017 Property Tax Rate Bylaw results in tax rates for all tax classes remaining the same as 2016 except for Rural Non Residential which has decreased 2% from 0.0173921 to 0.0170443. This change in the Rural Non Residential tax rate results in a reduction in the tax rate ratio to 17.938:1 from 18.3:1. The reduction in the tax ratio is due to concluding oil industry appeals which has resulted in providing a predictable assessment base which the Municipality can utilize in future tax calculations.

Budget/Financial Implications:

Assessment notices were sent out on March 1, 2017 and the deadline for assessment appeals was May 1, 2017 for the majority of properties. In some instances, additional information has been received regarding Rural Non Residential assessment accounts that have led to the issuance of an updated assessment. In accordance with legislated requirements, notice of the appeal period for these properties is extended by an additional 60 days.

The concluding of many machinery and equipment appeals in 2017 has resulted in a revision of the budgeted contingency to \$23.1 million from the previously budgeted \$35.8 million.

Due to the reduction in outstanding appeals, Administration will not be recommending additional revenue be allocated to the Emerging Issues Reserve. The ability to maintain or reduce tax rates was possible due to budget and assessment appeal reductions.

Strategic Plan Linkage:

Pillar 1 – Building Responsible Government

Attachment:

1. Bylaw No 17/010
2. Proposed Amendments to Bylaw No. 17/010 – strikethrough version

BYLAW NO. 17/010**A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AUTHORIZE A PROPERTY TAX AND ESTABLISH PROPERTY TAX RATES FOR THE YEAR 2017**

WHEREAS Sections 353 and 354 of the *Municipal Government Act* require a municipality to pass a property tax bylaw annually and to set and show all tax rates for the year;

AND WHEREAS the Alberta School Foundation Fund (ASFF) has issued the following requisitions to the Municipality:

- | | | |
|------|-------------------------------|------------------|
| (i) | for residential and farm land | \$ 34,623,320.90 |
| (ii) | for non-residential property | \$ 43,364,300.06 |

AND WHEREAS the Fort McMurray Roman Catholic Separate School District #32 has issued the following requisitions to the Municipality:

- | | | |
|-------|-------------------------------|-----------------|
| (iii) | for residential and farm land | \$ 1,637,450.14 |
| (iv) | for non-residential property | \$ 292,137.37 |

AND WHEREAS the Ayabaskaw House, being a management body under the *Alberta Housing Act*, has issued a requisition to the Municipality in the amount \$ 210,925.00;

AND WHEREAS the Rotary House, being a management body under the *Alberta Housing Act*, has issued a requisition to the Municipality in the amount \$ 1,752,143.00;

AND WHEREAS Section 10 of the Order in Council No. 817-94 allows the Municipality to establish different rates of taxation for the Urban Service Area and the Rural Service Area, in respect of each assessment class or sub-class referred to in Section 297 of the *Municipal Government Act*;

AND WHEREAS the net tax revenue requirements of the Municipality for 2017 is estimated to be \$714,312,151, and the Municipality has been facing unprecedented industry appeals, an additional \$39,970,160 in potential appeal reductions is required for the 2017 revenue requirements, for a total tax rate bylaw amount of \$754,282,311;

AND WHEREAS the total 2017 assessment of land, building, and improvement in the Rural Service Area, from which taxes may be raised, is \$ 41,650,009,652;

AND WHEREAS the total 2017 assessment of land, building and improvements in the Urban Service Area, from which taxes may be raised, is \$ 15,450,401,275;

NOW THEREFORE the Regional Municipality of Wood Buffalo, in Council duly assembled, hereby enacts, as follows:

1. The following tax rates are hereby authorized and imposed against the assessed value of taxable lands, buildings, and improvements as shown on the municipal assessment roll:

TAX RATES IN RESPECT OF EDUCATION REQUISITIONS, IMPOSED IN BOTH THE RURAL SERVICE AREA AND THE URBAN SERVICE AREA:

Alberta School Foundation Fund:

- Tax Rate for Residential and Farm Property: 0.0029267
- Tax Rate for Non-Residential Property: 0.0038369

Fort McMurray Roman Catholic Separate School District #32:

- Tax Rate for Residential and Farm Property: 0.0029267
- Tax Rate for Non-Residential Property: 0.0038369

TAX RATES IN RESPECT OF REQUISITIONS OTHER THAN EDUCATION REQUISITION, IMPOSED IN BOTH THE RURAL SERVICE AREA AND THE URBAN SERVICE AREA:

Ayabaskaw House

- Tax Rate for Residential and Farm Property: 0.0000037
- Tax Rate for Non-Residential Property: 0.0000037
- Tax Rate for Machinery and Equipment 0.0000037

Rotary House

- Tax Rate for Residential and Farm Property: 0.0000310
- Tax Rate for Non-Residential Property: 0.0000310
- Tax Rate for Machinery and Equipment 0.0000310

TAX RATES FOR MUNICIPAL PURPOSES, IMPOSED IN THE RURAL SERVICE AREA:

- Tax Rate for Residential and Farm Property: 0.0009502
- Tax Rate for Non-Residential Property: 0.0170443
- Tax Rate for Machinery and Equipment 0.0170443

TAX RATES FOR MUNICIPAL PURPOSES, IMPOSED IN THE URBAN SERVICE AREA:

- Tax Rate for Residential and Farm Property: 0.0017748
- Tax Rate for Other Residential Property 0.0048797
- Tax Rate for Non-Residential Property: 0.0037264
- Tax Rate for Machinery and Equipment 0.0037264

Definitions and Interpretation

2. In this Bylaw:
 - (a) “Municipality” means the Regional Municipality of Wood Buffalo;
 - (b) “Other Residential” has the meaning set out in Section 5 of Bylaw No. 13/012.
3. The numerical values in Section 1 of this Bylaw are tax rates expressed in cents per dollar of assessment.
4. This Bylaw comes into force when it is passed.

READ a first time this 25th day of April, A.D 2017.

READ a second time, as amended, this 9th day of May, A.D. 2017.

READ a third and final time this _____ day of _____, A.D. 2017.

SIGNED and PASSED this _____ day of _____, A.D. 2017.

Mayor

Chief Legislative Officer

Proposed Amendments to Bylaw No. 17/010 – Strikethrough Version
May 16, 2017

BYLAW NO. 17/010

A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AUTHORIZE A PROPERTY TAX AND ESTABLISH PROPERTY TAX RATES FOR THE YEAR 2017

WHEREAS Sections 353 and 354 of the *Municipal Government Act* require a municipality to pass a property tax bylaw annually and to set and show all tax rates for the year;

AND WHEREAS the Alberta School Foundation Fund (ASFF) has issued the following requisitions to the Municipality:

(i)	for residential and farm land	\$ 34,623,320.90
(ii)	for non-residential property	\$ 43,364,300.06

AND WHEREAS the Fort McMurray Roman Catholic Separate School District #32 has issued the following requisitions to the Municipality:

(iii)	for residential and farm land	\$ 1,637,450.14
(iv)	for non-residential property	\$ 292,137.37

AND WHEREAS the Ayabaskaw House, being a management body under the *Alberta Housing Act*, has issued a requisition to the Municipality in the amount \$ 210,925.00;

AND WHEREAS the Rotary House, being a management body under the *Alberta Housing Act*, has issued a requisition to the Municipality in the amount \$ 1,752,143.00;

AND WHEREAS Section 10 of the Order in Council No. 817-94 allows the Municipality to establish different rates of taxation for the Urban Service Area and the Rural Service Area, in respect of each assessment class or sub-class referred to in Section 297 of the *Municipal Government Act*;

AND WHEREAS the net tax revenue requirements of the Municipality for 2017 is estimated to be \$714,312,151, ~~and the Municipality has been facing unprecedented industry appeals, an additional \$39,970,160 in potential appeal reductions is required for the 2017 revenue requirements, for a total tax rate bylaw amount of \$754,282,311;~~

AND WHEREAS the total 2017 assessment of land, building, and improvement in the Rural Service Area, from which taxes may be raised, is \$ ~~41,650,009,652~~ 43,855,339,622;

AND WHEREAS the total 2017 assessment of land, building and improvements in the Urban Service Area, from which taxes may be raised, is \$ ~~15,450,401,275~~ 15,457,393,275;

NOW THEREFORE the Regional Municipality of Wood Buffalo, in Council duly assembled, hereby enacts, as follows:

1. The following tax rates are hereby authorized and imposed against the assessed value of taxable lands, buildings, and improvements as shown on the municipal assessment roll:

TAX RATES IN RESPECT OF EDUCATION REQUISITIONS, IMPOSED IN BOTH THE RURAL SERVICE AREA AND THE URBAN SERVICE AREA:

Alberta School Foundation Fund:

- Tax Rate for Residential and Farm Property: 0.00292~~6747~~
- Tax Rate for Non-Residential Property: 0.003836~~94~~

Fort McMurray Roman Catholic Separate School District #32:

- Tax Rate for Residential and Farm Property: 0.00292~~6747~~
- Tax Rate for Non-Residential Property: 0.003836~~94~~

TAX RATES IN RESPECT OF REQUISITIONS OTHER THAN EDUCATION REQUISITION, IMPOSED IN BOTH THE RURAL SERVICE AREA AND THE URBAN SERVICE AREA:

Ayabaskaw House

- Tax Rate for Residential and Farm Property: 0.000003~~76~~
- Tax Rate for Non-Residential Property: 0.000003~~76~~
- Tax Rate for Machinery and Equipment 0.000003~~76~~

Rotary House

- Tax Rate for Residential and Farm Property: 0.0000~~310298~~
- Tax Rate for Non-Residential Property: 0.0000~~310298~~
- Tax Rate for Machinery and Equipment 0.0000~~310298~~

TAX RATES FOR MUNICIPAL PURPOSES, IMPOSED IN THE RURAL SERVICE AREA:

- Tax Rate for Residential and Farm Property: 0.0009502
- Tax Rate for Non-Residential Property: 0.0170~~4433921~~
- Tax Rate for Machinery and Equipment 0.0170~~4433921~~

TAX RATES FOR MUNICIPAL PURPOSES, IMPOSED IN THE URBAN SERVICE AREA:

- Tax Rate for Residential and Farm Property: 0.0017748
- Tax Rate for Other Residential Property 0.0048797
- Tax Rate for Non-Residential Property: 0.0037264
- Tax Rate for Machinery and Equipment 0.0037264

Definitions and Interpretation

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3. The numerical values in Section 1 of this Bylaw are tax rates expressed in cents per dollar of assessment.
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READ a first time this 25th day of April, A.D 2017.

READ a second time, as amended, this 9th day of May, A.D. 2017.

READ a third and final time this _____ day of _____, A.D. 2017.

SIGNED and PASSED this _____ day of _____, A.D. 2017.

Mayor

Chief Legislative Officer

Subject: Bylaw No. 17/011 - Repealing of Wood Buffalo Recovery Committee Bylaw

APPROVALS:

Audrey Rogers, Director
Annette Antoniak, Interim Chief Administrative Officer

Administrative Recommendations:

1. THAT Bylaw No. 17/011, being a bylaw to repeal the Wood Buffalo Recovery Committee Bylaw, be read a third and final time.
2. THAT the term of appointment for all current members of the Wood Buffalo Recovery Committee be amended to end on June 11, 2017.

Summary:

At the regular Council meeting held on April 25, 2017, Council passed a resolution directing that Administration bring forward a bylaw to repeal the Wood Buffalo Recovery Committee Bylaw No. 16/013, effective June 11, 2017.

Background:

The Wood Buffalo Recovery Committee was established by Bylaw No. 16/013 on June 14, 2016, to provide policy and governance oversight to a new business unit of the Municipality dedicated to recovery and rebuilding of the region in the aftermath of the May 2016 wildfire events.

Since its inception, the Committee has been very active, and its Members very committed to our region's recovery. As a result of their efforts, the Committee has largely fulfilled the mandate set out in Bylaw No. 16/013, and achieved substantial advancement on matters affected by the May 2016 wildfire.

The motion to dissolve the Committee was presented on April 25, 2017, at which time a number of residents expressed concern about the potential impact to those residents who are still dealing with recovery and rebuild issues. Only the governance aspect of recovery will be changed through the proposed repealing bylaw, as it will once again be led by Council. The actual work of recovery will continue to be carried out by the dedicated administrative team who form the Recovery Task Force, led by the Recovery Team Lead.

Budget/Financial Implications:

The existing bylaw allows for Committee Members to claim per diems for meetings and Committee-related activities. Not all Members have elected to claim per diems; however, there would likely be some cost savings resulting from disbanding the Committee.

Rationale for Recommendations:

The diligence of the Committee has led to a reduced need for the additional layer of governance oversight; therefore, disbanding the Committee would enable matters to flow directly from Administration/Recovery Task Force to Council, without it first being vetted at the Committee level. There is no anticipated impact to recovery as a result of the Committee’s disbandment.

Strategic Plan Linkage:

Pillar 1 – Building Responsible Government

Attachment:

1. Bylaw No. 17/011

BYLAW NO. 17/011

A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO REPEAL BYLAW NO. 16/013, BEING THE WOOD BUFFALO RECOVERY COMMITTEE BYLAW

WHEREAS the Wood Buffalo Recovery Committee has fulfilled the requirements of Bylaw No. 16/013, Sections 5 and 6 (Mandate and Responsibilities) with substantial advancement on matters affected by the 2016 Wildfire and regional recovery;

AND WHEREAS the Council of the Regional Municipality of Wood Buffalo wishes to repeal. Bylaw No. 16/013, the Wood Buffalo Recovery Committee Bylaw;

NOW THEREFORE the Regional Municipality of Wood Buffalo, in Council assembled, enacts as follows:

1. Bylaw No. 16/013, and all amendments thereto are hereby repealed.
2. This Bylaw comes into effect on June 11, 2017.

READ a first time this 9th day of May, 2017

READ a second time this 9th day of May, 2017

READ a third and final time this _____ day of _____, 2017

SIGNED and PASSED this _____ day of _____, 2017.

Mayor

Chief Legislative Officer

