




## CITY COUNCIL INFORMATION REQUEST

**NUMBER:** IR 13-2021 Other Municipality Tax Increases

<b>REQUESTED BY:</b>	Councillor Jacquie Hansen
<b>ORIGIN OF REQUEST:</b>	City Council
<b>DATE OF REQUEST:</b>	June 8, 2021

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<b>DEPARTMENT:</b>	Financial Services and Information Technology
<b>DATE RESPONSE DUE:</b>	July 8, 2021

<b>DIRECTOR APPROVAL</b> (if not author):	Diane McMordie, July 6, 2021
<b>DEPUTY CAO APPROVAL:</b>	Kerry Hilts, July 6, 2021
<b>DIRECTOR OF FINANCE APPROVAL</b> (if necessary):	Diane McMordie, July 6, 2021
<b>CAO APPROVAL:</b>	 Kerry Hilts, Acting CAO July 6, 2021

**QUESTION:**

Can we get some information on the tax increases in other municipalities around the region for the past 10 years, what their RMR gaps are and if and how these municipalities are tackling their RMR gap?

**RESPONSE:**

Municipal Tax Increases

Please refer to the attachment provided with particular attention to the chart notes at the bottom.

RMR Gaps & Plans to Address

Please refer to the attachment. These questions were posed to all municipalities that participate in our provincial treasurers group. The information provided is for only those that responded to the request and may not be representative of all of the RMR type funding/asset management work going on in the province.

<b>CONFIDENTIAL:</b>	No
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## Budgeted Municipal Tax Increase Comparison - 10 Years

### Anticipated Municipal Tax Change- Summary

Municipality	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	Ave
Strathcona County	0.00%	0.00%	0.83%	-2.18%	-2.62%	0.70%	2.58%	2.00%	2.60%	4.25%	0.82%
City of Grande Prairie	0.15%	0.00%	-4.10%	2.00%	0.50%	4.20%	3.90%	2.40%	3.60%	4.00%	1.67%
<b>City of St. Albert</b>	<b>0.70%</b>	<b>2.50%</b>	<b>0.90%</b>	<b>2.40%</b>	<b>1.60%</b>	<b>0.20%</b>	<b>2.80%</b>	<b>1.00%</b>	<b>2.98%</b>	<b>2.60%</b>	<b>1.77%</b>
City of Camrose	0.00%	0.00%	1.22%	1.57%	1.00%	2.30%	3.46%	1.94%	3.63%	3.62%	1.87%
City of Leduc	0.00%	0.00%	2.89%	n/a	1.81%	2.26%	3.70%	3.70%	3.90%	2.60%	2.32%
City of Lethbridge	0.00%	1.82%	1.82%	n/a	2.50%	3.20%	3.20%	3.60%	2.89%	2.50%	2.39%
City of Red Deer	0.00%	0.97%	1.89%	1.50%	1.12%	2.90%	3.77%	3.93%	4.57%	4.87%	2.55%
City of Spruce Grove	0.00%	0.00%	3.50%	3.90%	2.90%	3.90%	3.60%	3.90%	3.29%	2.52%	2.75%
City of Airdrie	0.00%	1.51%	8.47%	4.08%	0.63%	3.00%	4.77%	3.44%	2.84%	2.74%	3.15%
City of Edmonton	0.00%	1.40%	2.60%	3.20%	2.70%	3.40%	5.70%	4.92%	6.60%	5.10%	3.56%
City of Calgary	-1.77%	7.55%	3.45%	3.80%	0.00%	3.50%	4.50%	5.00%	13.00%	5.10%	4.41%
City of Cold Lake	0.14%	1.11%	0.00%	4.80%	2.00%	0.00%					1.34%
City of Wetaskiwin	0.00%	2.41%	3.25%	-1.00%	0.00%	3.50%					1.36%
Town of Okotoks	0.00%	0.00%	2.00%	3.00%	2.00%	1.60%					1.43%
City of Fort Saskatchewan	0.00%	0.00%	2.64%	-0.25%	4.71%	1.92%					1.50%
Town of Cochrane	0.00%	1.93%	2.78%	3.06%	0.88%	0.56%					1.54%
City of Beaumont	0.00%	1.60%	1.88%	2.00%	2.82%	3.38%					1.95%
City of Lacombe	0.80%	0.90%	2.80%	1.30%	3.28%	3.61%					2.12%
Town of Morinville	1.00%	2.60%	4.00%	n/a	0.38%	3.00%					2.20%
Town of Devon	2.62%	1.98%	2.33%	1.59%	1.81%	3.75%					2.35%
Town of Stony Plain	1.71%	1.00%	2.33%	2.74%	3.11%	7.61%					3.08%
City of Medicine Hat	0.00%	3.50%	4.00%	4.00%	3.45%	4.80%					3.29%

#### Notes:

1. Source of Data: Tax increase information is taken from news stories as sourced from the internet. Data current to June 25, 2021.
2. Information is considered to be unofficial and is for general comparative purposes only.
3. Percentages are reflective of municipal tax portion only, and excludes education tax and senior housing tax.
4. Percentages are reflective of the general tax increase. No splits between residential and non-residential are available.
5. Percentages are not final. Many municipalities make adjustments to their budget in the spring prior to passing their tax rate bylaw.

**Questions Posed**

<p><b>Has your municipality started an Asset Management program? If yes, what are your anticipated timelines to completion?</b></p>	<p><b>Have you identified/estimated what the financial gap is between current funding levels (grants and tax supported) and future repair replacement costs for all assets?</b></p>	<p><b>1. Given reductions in government grants, do you have plans to backfill this additional shortfall?</b></p>	<p><b>1. Has your Council approved any kind of additional funding (one-time or longer term) specifically related to this infrastructure deficit?</b></p>
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<p><b>Chestermere</b></p>	<p>Yes – it was started in 2017 and likely to complete is 2023.</p>	<p>Yes – there is a significant gap as \$700k is set aside into replacement of assets RSA, to cover \$300m in assets. Annual amortization is funded by unrestricted equity and not tax dollars.</p>	<p>Not at this time.</p>	<p>No, this shortfall/issue has been shared with Council/Executive Team on many occasions and they are aware. Administration has not brought forward a plan on how to address, as of yet. We're waiting for the completion of the Asset Management program.</p>
<p><b>Camrose</b></p>	<p>We do not have a formal asset management program and have not started one. We do have assessment / condition reviews on roads, sidewalks and underground utilities with CCTV work for the high risk areas dependent upon age and type of material which we use as a basis to plan and budget from. I think if we make some smaller adjustments that we are addressing the significant risks in our infrastructure even without the formal asset management plan.</p>	<p>Yes – we have done this as part of our process to ensure that we implement a small increase to water and wastewater utilities during the budget process even though our current capital reserves seem large. And tried to demonstrate the gaps that do exist in our transportation network.</p>	<p>No definitive plan in place but understanding that we will need to review operational service levels if this does result.</p>	<p>Not really – increases in rates to some extent. Dedicated capital spending per year on transportation network to attempt to address the “capital” maintenance.</p>
<p><b>Grande Prairie</b></p>	<p>The AM program has been officially initiated late 2020. The first major deliverable is a State of Infrastructure Report (SOIR) by Oct 2021 and will account for all core assets the City owns. The Corporate Asset Management Plan will follow in 2022.</p>	<p>The infrastructure gap will be identified as part of the SOIR. (In progress)</p>	<p>Yes, at last year’s budget deliberations, Council approved a capital tax strategy that will see the capital portion of the tax levy increased to make up for the expected reduction in capital grants. The use of reserves will help to reduce the impact each year to tax payers.</p>	<p>The infrastructure deficit/gap will be presented to council as part of the SOIR. Different scenarios linked to asset condition will allow Council to decide on additional funding in relation to this deficit/gap.</p>
<p><b>Okotoks</b></p>	<p>The Town of Okotoks has started an asset management program</p>	<p>We are presently in the middle of a project to implement CityWide Decision Support and Capital Planning &amp; Analysis modules where we will be able to estimate our infrastructure gap. This will include lifecycle activities. We expect that the software implementation project will be finished by the end of summer and we will then continue to work with the data.</p>	<p>This is part of a funding project that we are waiting on the CityWide Decision Support and Capital Planning &amp; Analysis modules to provide us with projected expenditure information</p>	<p>Presently capital reserves are funded based on the limited information that we have. This will change as better information is available.</p>
<p><b>Strathcona Spruce Grove</b></p>	<p>Yes we have an asset management program. We are in the process of moving from a decentralized approach to central oversight. Timelines will depend on resource decisions through the next budget process(es)</p>	<p>We have not confirmed this yet but it is our intention to do so</p>	<p>Of course this is a constant consideration but no plans yet.</p>	<p>Since the late 90’s, Strathcona County has had an annual capital program in place to address maintenance of existing assets. Over time it was set up so that Ops Budget pays for the majority of these costs through smoothing utilizing to/from reserves. It has consistently been identified as a priority to avoid a growing infrastructure gap. We are currently confirming the annual programs, the infrastructure gap and funding strategies.</p>
<p><b>St. Albert</b></p>	<p>Yes. Foundational work, framework development and asset maturity indexes nearing completion with specific actions plans being developed. Anticipated completion 3-5 years.</p>	<p>A significant amount of analysis based on accounting data has identified the estimated current gap as well as the projected impacts of growth over the next 20-30 years. The gap is significant.</p>	<p>A funding strategy has been developed with the goal of self-funding all Repair, maintain, replace projects to eliminate reliance on grants.</p>	<p>The equivalent of a 1.5 % tax increase annually for 20 years. Tax increase will be partially offset by the application of 20% of the new assessment growth anticipated in that year.</p>
<p><b>Lloydminster</b></p>	<p>Yes, we have started on it, we are in the process of training managers/supervisors on what it is and how we can use it in decisions. We have determined what conditions to measure but may be adjusting them after we have done some training. We expect it will take another full year to have the initial phase completed then will work on continuous improvement from there.</p>	<p>Not at this time.</p>	<p>We are at the same time determining what are adequate contributions to reserves as we have just starting minimum budgets to contribute to operating and capital reserves so we cant answer this question yet, but we expect that some capital projects may be delayed.</p>	<p>No we have not, however our current council is committed to increasing the tax rate at an inflationary rate (even during covid) to support our contribution to reserve and capital programs. We are hopeful that some new development will result in new taxable growth to increase the tax revenue and ultimately the capital replacement programs.</p>