



ROCKY VIEW COUNTY

2023 Budget Update No.

April 11, 2023

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2023 SPRING BUDGET FINALIZATION



I OPERATING BUDGET ADJUSTMENTS

The table below represents the budget adjustment calculated to encompass changes to revenue and expenses required to finalize the 2023 Operating base budget.

Revenue

Planning Application Appeal Revenue	200,000
<ul style="list-style-type: none"> This represents unused appeal fees that are currently recorded as unearned revenue. Planning is recommending using this revenue to fund temporary positions. 	
Tax Penalty Revenue	0
<ul style="list-style-type: none"> As a result of the changes to the tax penalty bylaw, Administration has considered a loss in penalty revenue. The challenge is trying to predict the payment timing, however, as the County collected higher than expected revenue in 2022, Administration is recommending no adjustment at this time. 	
Blazer Water System Revenue	(937,700)
<ul style="list-style-type: none"> Revised growth projections. 	
Blazer Wastewater System Revenue	(328,700)
<ul style="list-style-type: none"> Revised growth projections. 	
Blazer Utility System Revenue	303,900
<ul style="list-style-type: none"> Transfer from Tax Stabilization Reserve for the Blazer utility system's deficit. 	
Recreation, Parks and Community Support Revenue	(38,200)
<ul style="list-style-type: none"> Revised Langdon Special Tax Levy. 	
Total Revenue Adjustment	(800,700)

Expenses

Temporary Planning Positions	200,000
<ul style="list-style-type: none"> Planning is proposing to employ two temporary Planners to address the current high work volume. 	
Chamber of Commerce Support	25,000
<ul style="list-style-type: none"> The County has received a request from the business community to provide support to the Chambers of Commerce. There is currently a Chamber in Bragg Creek and Langdon and a Business Association in Balzac. Administration is proposing a fund of 75,000 be established. At the end of 2022 50,000 was carried forward, therefore the remaining 25,000 is required in 2023. If approved, Administration would develop policy to guide distribution. 	
Blazer Water System Transfer to Reserve	(691,900)

Blazer Wastewater System Transfer to Reserve	(270,600)
Recreation, Parks and Community Support Revenue	(38,200)
<ul style="list-style-type: none"> Revised Langdon Special Tax Levy. 	
Library Board funding	65,200
<ul style="list-style-type: none"> Per capita funding increase. 	
Total Expense Adjustment	(710,500)

Net Summary

Total Revenue Adjustments	(800,700)
Total Expense Adjustments	(710,500)
Total Tax Support Required	90,200



II 2023 PROPERTY TAX ADJUSTMENT

Currently, there is a 6.0% tax increase (\$4,769,600) and \$2,200,000 in additional tax revenue due to Live Assessment Growth within the approved 2023 Operating base budget. As a result of higher-than-expected assessment growth, the actual estimated revenue from new growth is \$6,885,700 resulting in an estimated \$4,685,700 in unallocated tax revenue.

Administration has recently completed work related to long-term financial forecasting which will require further consideration of policies related to reserve management. Administration will be preparing future material for Council’s consideration, however, it is Administration’s current recommendation that the unallocated tax revenue be directed to the Tax Stabilization Reserve.

Administration has prepared two alternatives for Council’s consideration:

Alternative #1: Proceed with a current tax increase of 6.0%, with the remaining funding of \$4,685,700 (plus current unallocated amount of \$115,700, and less net of \$25,000 as per Section I) transferred to the Tax Stabilization Reserve to provide funding for future projects and/or service level adjustments.

Alternative #1:

Incremental Growth Tax Revenue (tax rate based on 6.0% applied to assessment growth)	4,685,700
Current Unallocated Amount (as approved on December 14, 2022)	115,700
Net Expense and Revenue adjustments (as per Section I)	(25,000)
Total unallocated amount transferred to Reserve	4,776,400

Alternative #2: (Recommended) Reduce the tax increase from 6.0% (\$4,769,600) to 4.0% (\$3,179,800), resulting in a tax reduction of \$1,589,800, and utilize a portion of new growth tax revenue to fund cost increases. The balance of the new growth tax revenue of \$4,555,800 (less municipal tax reduction of \$1,589,800, plus current excess amount of \$115,700, and less net of \$25,000 as per Section I) would be transferred to the Tax Stabilization Reserve to provide funding for future projects and/or service level adjustments.

Alternative #2:

Incremental Growth Tax Revenue (tax rate based on 4.0% applied to assessment growth)	4,555,800
Reduction of Municipal Tax Increase from 6.0% to 4.0%	(1,589,800)
Current Unallocated Amount (as approved on December 14, 2022)	115,700
Net Expense and Revenue adjustments (as per Section I)	(25,000)
Total unallocated amount transferred to Reserve (Attachment C)	3,056,700

Alternative #3: (Approved) Reduce the tax increase from 6.0% (\$4,769,600) to 3.0% (\$2,384,700), resulting in a tax reduction of \$2,384,900, and utilize a portion of new growth tax revenue to fund cost increases. The balance of the new growth tax revenue of \$4,490,900 (less municipal tax reduction of \$2,384,700, plus current excess amount of \$115,700, and less net of \$90,200 as per Section I) would be transferred to the Tax Stabilization Reserve to provide funding for future projects and/or service level adjustments.

Alternative #3 (Approved): As proposed at April 11, 2023 Council Meeting

Incremental Growth Tax Revenue (tax rate based on 3.0% applied to assessment growth)	4,490,900
Reduction of Municipal Tax Increase from 6.0% to 3.0%	(2,384,700)
Current Unallocated Amount (as approved on December 14, 2022)	115,700
Net Expense and Revenue adjustments (as per Section I)	(90,200)
Total unallocated amount transferred to Reserve	2,131,700

Alternative #4: Reduce the tax increase from 6.0% (\$4,769,600) to 2.0% (\$1,589,800), resulting in a tax reduction of \$3,179,800, and utilize a portion of new growth tax revenue to fund cost increases. The balance of the new growth tax revenue of \$4,425,900 (less municipal tax reduction of \$3,179,700, plus current excess amount of \$115,700, and less net of \$90,200 as per Section I) would be transferred to the Tax Stabilization Reserve to provide funding for future projects and/or service level adjustments.

Alternative #4: As proposed at April 11, 2023 Council Meeting

Incremental Growth Tax Revenue (tax rate based on 2.0% applied to assessment growth)	4,425,900
Reduction of Municipal Tax Increase from 6.0% to 2.0%	(3,179,700)
Current Unallocated Amount (as approved on December 14, 2022)	115,700
Net Expense and Revenue adjustments (as per Section I)	(90,200)
Total unallocated amount transferred to Reserve	1,271,700



III EXTERNAL REQUISITIONS

External requisitions are flow-through amounts that Rocky View County collects through the property tax system to be forwarded to requisitioning bodies such as the Provincial government (education and designated industrial properties) and the Rocky View Foundation (affordable seniors housing).

Administration has now received final external requisitions for the 2023 budget year. Changes to Rocky View County's external requisitions are as follows:

External Requisitions

Alberta School Foundation Fund (ASFF) and the Calgary Catholic School District (CCSD) has increased its requisitions by 2,090,300 (3.96%).

- ♦ 2023 amount: 54,849,900
- ♦ 2022 amount: 52,759,600

The Rocky View Foundation has increased its requisition by 53,400 (5.3%).

- ♦ 2023 amount: 1,059,600
- ♦ 2022 amount: 1,006,200

The Designated Industrial Property (DIP) that is administered on behalf of the Province has increased its requisition by 3,800 (2.6%).

- ♦ 2023 amount: 147,500
 - ♦ 2022 amount: 143,700
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IV OTHER POTENTIAL ADJUSTMENTS

This section outlines other potential adjustments for Council's consideration for inclusion in the 2023 Operating and Capital Budget:

Potential Adjustments

Langdon Library Funding

At the November 29, 2022 Council meeting, the Langdon Library Society received \$70,000 in bridge funding for the establishment of the library. The group did address Council at the time and identified a future shortfall in funding. Administration's recommendation at that time was that any discussion related to additional funding for libraries be deferred to budget finalization. At the time of report preparation, Administration had no additional information related to the possible operating deficit.

Tax Stabilization Repayment

In 2017, Council settled a lawsuit related to the former Rancher's Beef facility. At the time, the settlement funding was withdrawn from the Tax Stabilization Reserve. Council directed that 10,000,000 be repaid to the reserve over 10 years beginning in 2018. There are 5 years remaining on this commitment.

Upon Council's approval of the base budget with a 6% tax increase on December 14, 2022, Administration identified this reserve transfer as a possible funding source to offset large tax increases.
