



2020 Budget Highlights



On May 6, 2020, Beaver County Council approved the 2020 budget. This is the budget upon which the 2020 tax notices are based.

The 2020 budget meets all requirements of the *Municipal Government Act* – it includes current year operating and capital expenditures, payment of legislated requisitions, and is balanced.

The budget reflects the priorities of Council as identified during budget and strategic planning discussions, and considers what it heard from you – the resident and taxpayer.

It also reflects Council's desire to keep the mill rate increase as low as possible. Council was able to achieve this due to a small increase in the assessment base, use of reserves and grants, and exploring efficiencies and cost-savings wherever possible.

Refer to the section titled *Understanding the tax rates* for a detailed explanation of all mill rates.



Information Regarding the 2020 Budget

Where is the money being spent?

The County's 2020 budget is a total of \$25,701,413. The amount spent in various areas is as follows:

| | |
|---|---------------------|
| Council | 311,019 |
| General Administration | 935,900 |
| Assessment | 527,666 |
| Allowance for Uncollectible Taxes | 3,400,000 |
| Financial Services | 426,937 |
| Communication & Special Events | 173,584 |
| Health & Safety | 105,533 |
| Community Peace Officer | 440,294 |
| Fire Protection | 849,358 |
| Public Works & Utilities | 15,407,437 |
| FCSS | 117,626 |
| Community Adult Learning | 144,772 |
| Planning & Development | 182,092 |
| Industrial Parks | 153,360 |
| Agriculture | 892,120 |
| Campgrounds | 325,100 |
| Libraries (incl grants to Towns/Villages) | 251,670 |
| Grants to Towns and Villages (recreation) | 242,844 |
| Grants to Ag Societies (recreation) | 91,397 |
| Business Incentive Grant | 481,263 |
| Other Grants/Partnerships | 241,441 |
| Total | \$25,701,413 |

How are we going to pay for it?

To fund the budget, the County will access grants (\$4,805,201), reserves (\$5,118,358), and operating revenue (\$2,130,750). The balance (\$13,647,104) will be raised by taxes.

Almost all properties must pay property taxes. There are a few exceptions such as Federal and Provincial lands. On all taxable properties, the following municipal taxes are levied:

| Tax Classification | Amount of Taxes |
|---|------------------------|
| General Municipal | |
| Residential | 2,369,866 |
| Non-Residential (businesses, shops, etc.) | 1,615,601 |
| Farmland | 1,879,856 |
| Designated Industrial Property | 6,677,505 |
| Machinery and Equipment (wellsites, etc.) | 150,489 |
| Beaver Emergency Services Commission | |
| Residential/Farmland | 510,401 |
| Non-Residential | 64,856 |
| Designated Industrial | 268,060 |
| Machinery & Equipment | 6,041 |
| Police Cost-Sharing | |
| All Classifications | 104,429 |
| TOTAL | \$13,647,104 |

Understanding the tax rates

Your property tax bill includes tax (mill) rates for a number of different taxing bodies.

The municipal mill rate is the rate set by County Council to raise funds to provide all the municipal services (details on these services are provided throughout this brochure). In 2020, the municipal mill rate consists of 3 separate mill rates – General Municipal, BESC, and Policing.

General Municipal mill rate

In 2020, the general municipal mill rate did not increase.

BESC mill rate

The mill rate established to pay the grant to the Beaver Emergency Services Commission (BESC) for fire protection and emergency management (disaster) services decreased by 1%.

Policing mill rate

New to 2020, is a mill rate for the County's share of RCMP services. The costs assessed by the Provincial Government are being phased in over 5 years. The 2020 amount of \$104,429 will require a mill rate of 0.0847. By the year 2024, the County will be required to pay \$418,016.

Other mill rates

In addition to the taxes raised to pay for municipal services, the total tax bill includes the taxes for seniors housing (Beaver Foundation), education, and assessment of designated industrial properties. The County is required to collect these taxes and then remit the funds directly to the Beaver Foundation and the Provincial Government.

In 2020, the Beaver Foundation mill rate increased 4.1% over 2019.

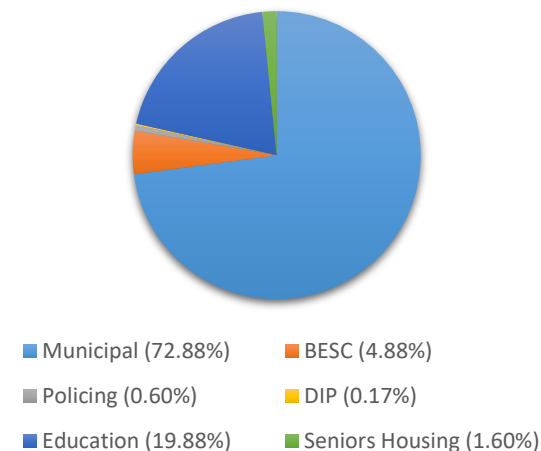
The education mill rate increased by 6.5% for residential and farmland properties and decreased by 6.1% for non-residential properties.

The reason for the significant increase dates back to the 2019 education requisition. Last year, the Provincial Government had not adopted its Provincial budget by the time the County had approved its budget.

On the recommendation of Alberta Municipal Affairs, the County used the previous year's education requisition to calculate a mill rate. Unfortunately, this resulted in an under-collection of taxes which the County is required to "make up" in 2020.

The Designated Industrial Properties (i.e. DIP) mill rate affects only select industrial properties which are assessed by the Provincial Government. The taxes raised by this mill rate are paid to the Provincial Government to cover their costs to assess the properties. This mill rate decreased by 3.4% over the 2019 rate.

Allocation of taxes collected



What's in the budget for me?

The 2020 budget includes the following projects:

Public Works/Road Construction/Maintenance

- ✓ Equipment and vehicles
- ✓ 560 miles of gravelling
- ✓ Private dust control only
- ✓ 6 miles of hard-surfacing (soil cement & chip seal)
- ✓ 3 miles of re-oiling
- ✓ Road construction (east end development)
- ✓ Bridge design and replacement - SW of Bruce and SW of Viking

Public Safety

- ✓ Additional RCMP presence

Waste Management Programs

- ✓ Expanded BMS waste bin program

Industrial Park Projects

- ✓ Servicing Equity Industrial Park
- ✓ Fencing of Viking grader shed lot

Agricultural Services Projects

- ✓ 1000 miles of weed control
- ✓ Roadside mowing in west end
- ✓ Roadside brushing in east end
- ✓ Contracted beaver control

Due to COVID-19, the County Services Centre will be closed to the public for a few months. Staff are still working in the Office, however certain services and programs have been cancelled or the method of service delivery has been adjusted.

Residents and taxpayers are encouraged to take advantage of various on-line opportunities to conduct business with the County.

Capital expenses including road construction in the 2020 budget are \$4,639,805. Funding sources include reserves, grants from the government and Beaver Municipal Solutions, and taxes.

Of significant concern to Council is the ever-increasing amount of taxes which remain unpaid. Most of these taxes are from the oil and gas sector. The continued decline in the economy, plummeting oil prices, and the impact of COVID-19 could result in a 25% uncollectible tax rate. The 2020 uncollectible amount is estimated to be \$3.4 million compared to the 2019 amount of \$1.6 million.

To keep the mill rate increase to a minimum, the allowance for uncollectible taxes is funded by the Beaver Municipal Solutions grant, reserves, and a small portion from taxes.

How does the County partner to provide services to residents?

Collaboration with other organizations can be an efficient way for the County to provide services to its residents. The County has a long history of working with its urban neighbours (towns and villages) and other organizations to provide essential as well as quality-of-life services including fire protection and emergency management, family and community support services, and library and recreation services.

The 2020 budget includes \$2,255,799 for grants to various organizations. The County provides some direct funding, but in the case of services that are used by both rural and urban residents, it shares costs using a population-based formula. The County has agreements with each urban municipality to share costs. Each agreement specifies the services that are cost-shared (not all are cost-shared). In the 2020 budget, the County will spend \$1,452,989 towards these partnerships.

The amount budgeted for 2020 in each Recreation area follows:

| | |
|--|--|
| Town of Tofield and Ag. Society | \$85,274 or \$24.71 per County resident served |
| Village of Ryley and Beaver Heritage Ag. Society | \$36,991 or \$85.23 per County resident served |
| Village of Holden and Holden Ag. Society | \$40,715 or \$44.40 per County resident served |
| Town of Viking and Viking Ag. Society | \$145,375 or \$131.80 per County resident served |

The cost distribution for recreation and library grants is:

Population

| | | County | Urban |
|----------------------|---------------------|--------|-------|
| Tofield Service Area | 62.38% | 3451 | 2081 |
| Ryley Service Area | 47.33% | 434 | 483 |
| Holden Service Area | 74.95% (library) | 1047 | 350 |
| | 72.38% (recreation) | 917 | 350 |
| Viking Service Area | 47.32% (library) | 973 | 1083 |
| | 50.46% (recreation) | 1103 | 1083 |

The County contributes to:

- ▶ Operating costs of specified shared services
- ▶ Operating and capital costs of Beaver Emergency Services Commission (BESC)

The formula for sharing operating costs and BESC capital is based on population within the service area. Capital cost-sharing for other shared services is determined on a request-by-request basis.

The cost distribution for the Beaver Foundation requisition and the BESC grant is:

Population

| | | |
|-------------------|--------|------|
| Beaver County | 59.63% | 5905 |
| Town of Tofield | 21.02% | 2081 |
| Village of Ryley | 4.88% | 483 |
| Village of Holden | 3.53% | 350 |
| Town of Viking | 10.94% | 1083 |

The cost distribution for FCSS (Family and Community Support Services) is:

Tofield Service Area:

Population

| | | | |
|---------------|--------|------|--------|
| Tofield | 32.34% | 2081 | 41,362 |
| Ryley | 7.51% | 483 | 9,600 |
| Beaver County | 60.15% | 3870 | 76,920 |

Viking Service Area:

Population

| | | | |
|---------------|--------|------|--------|
| Viking | 24.69% | 1083 | 13,888 |
| Holden | 6.22% | 350 | 3,500 |
| Beaver County | 69.09% | 2035 | 38,856 |



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