

City of Lacombe
2016 Property Assessment and Taxation
Briefing Report

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Executive Summary

The 2016 Property Tax Bylaw is composed of the latest updates to the City's 2016 Assessment Roll (including both growth and inflation factors) and the revenue requirements of four taxing authorities. The highlights of this year's assessment roll and tax levies are summarized as follows:

- Revenue from new construction exceeded budget expectations but was partially offset by an unanticipated loss in provincial grant in lieu revenue. Based on budget updates approved at the April of meeting of Council and higher than forecasted 2015 supplementary tax revenue, the required tax increase to meet the municipal revenue was reduced from the previously approved 3.61% to 2.45%
- Residential property owners, as a whole, in Lacombe will pay \$206,192 or 6.34% more in education taxes than in 2015, while commercial property owners in Lacombe will pay \$10,678 or 1.21% less.
- Lacombe property owners will pay \$107,306 in 2016 Foundation requisitions which is an increase of 2.14% over 2015 and is used to fund the operations and capital requirements of the Lacombe Foundation senior's housing facilities.
- Growth in the 2016 Assessment Roll from new construction of residential and commercial properties was 2.77% and 5.85% respectively.
- The Market Value of existing properties on the assessment roll increased by 5.68% for residential properties and increased 1.98% for commercial in 2016.
- The City will generate an additional \$13,567 from 2015 supplementary assessment while new growth tax revenue was \$147,407 above budget. The higher supplementary assessment revenue and new growth has allowed Council to reduce the average municipal tax increase for 2016 from 3.61% to 2.45%
- The **combined** residential tax rate for 2016 will be 9.5797 compared to 9.8002 in 2015. The **combined** commercial tax rate for 2016 will be 12.5827 compared to 12.6403 in 2015.
- A typical single-family home assessed at \$284,315 will see an overall property tax increase of \$87. A typical business property assessed at \$706,098 will see an overall property tax increase of \$157.

Introduction – Assessment versus Taxation

The calculation of the annual property tax levy involves two major components: the property assessment established for each property and the tax rates approved by Council and the Province. On the surface, property taxes should be a simple calculation:

ASSESSMENT x TAX RATE (formerly called mill rate) divided by 1000

The challenge of course is that both variables change each year and the changes in assessment vary property by property each year. In addition, properties are classified by one of a number uses. The City categorizes its 5,798 properties (see [Table 1](#)) into 22 property classes (see [Table 2a](#) and [Table 2b](#)). The expiration of the 2000 annexation tax agreement means that 10 property classes previously used to classify annexation properties are no longer used, with the annexed properties now being classified with other city properties. A small number of properties affected by annexation agreements still exist but not to the degree of previous years.

Compounding the assessment complexity are the four taxing authorities and eight different tax rates used in the annual calculation of property taxes for the various properties in Lacombe (City proper and annexed properties). Providing a single explanation for the changes or the impact on all of the various properties is difficult if not impossible. Traditionally, the City explains the changes in property taxes by relying on an average commercial or average residential property example. Unfortunately, for most properties the impact is either larger or smaller than the average. To explain the process beyond the simple average example, a systematic approach to explaining the assessment and taxation process for 2016 is provided here. Key points will be highlighted throughout the report. These same points will also be highlighted in the communication with taxpayers.

2016 Funding Requirements

The City collects revenue through the taxation process for a variety of purposes. The City collects taxes to cover its operations (municipal) and to cover funding requests (requisitions). For 2016, the City had funding requisitions from the Provincial School Fund (ASFF), St. Thomas Aquinas Roman Catholic School Division and the Lacombe Foundation.

Municipal Revenue Funding

The City's municipal levy is the general municipal rate which covers all non-utility related expenditures. The municipal general levy included an initial budgeted increase of \$703,487 (new assessment and tax rate increase). A number of changes occurred since the budget was prepared that necessitated changes to the

2016 budget. A further loss in grant in lieu tax revenue and higher than expected assessment growth had the effect of still higher than forecast revenue. In addition to increased development, higher than forecasted supplementary revenue from 2015 and slight reductions to the 2016 operating budget expenditures have given Council the opportunity to lower the tax increase from 3.61% to 2.45%. Council adopted these budget adjustments at its regular meeting April. [Table 3](#) compares the budget to actual 2016 municipal tax levy.

Revenue from new construction exceeded budget expectations but was partially offset by an unanticipated loss in provincial grant in lieu revenue. Based on budget updates approved at the April of meeting of Council and higher than forecasted 2015 supplementary tax revenue, the required tax increase to meet the municipal revenue was reduced from the previously approved 3.61% to 2.45%

Alberta School Foundation Fund (ASFF) & St. Thomas RCS Regional Division

The Province's 2016 Education requisition is also collected via the City's property tax system. The annual requisition is based on the City's equalized assessment for 2016. This complex formula relies on previous year's (2015) assessment to determine the 2016 requisition. The total requisition for the year was \$4,331,542, an increase of \$195,514 or 4.73% from 2015. This requisition is now split between the public and separate school systems and the province has now established fixed provincial rates and removed any adjustments among municipalities.

The increases in school requisition are spread across both commercial and residential properties. Commercial properties in Lacombe will pay a combined \$10,678 (1.21%) *less* than in 2015. The amount of education tax collected from residential properties will ***increase*** by \$206,192 from 2015, a 6.34% increase. [Table 4](#) shows the process for calculating the education tax rates.

Residential property owners as a whole in Lacombe will pay \$206,192 or 6.34% more in education taxes than in 2015, while commercial property owners in Lacombe will pay \$10,678 or 1.21% less.

Lacombe Foundation Requisition

For 2016, the Lacombe Foundation has requisitioned for debt and interest costs on capital, and funding to cover operating deficits for the lodges. The funding requisition of the Foundation is divided amongst its member municipalities based on the same equalized assessment values used in the determination of the annual school requisition. The City's share for 2016 is \$107,306 (before adjustments), an increase of 2.14% over 2015. Funding for the Foundation is applied uniformly across all taxable properties in Lacombe (except annexed properties). [Table 5](#) shows the calculation of the Foundation's requisition.

Lacombe property owners will pay \$107,306 in 2016 Foundation requisitions which is an increase of 2.14% over 2015 and is used to fund the operations and capital requirements of the Lacombe Foundation senior's housing facilities.

Assessment – Growth versus Market Value Changes

Difference between Growth and Market Value Change

The City's annual assessment roll increase or decrease is based on two factors: (1) growth – i.e. new construction and (2) inflation – i.e. market value. [Table 2a](#) and [Table 2b](#) show the changes (both growth and inflation) for each property class. Although both factors affect the overall value of the City's assessment roll, only growth results in additional tax revenue for the City. Inflation (Market value) is ***not used*** to generate additional tax revenue. The City also attempts to ensure that revenue from one tax rate class (e.g. residential) is not shifted to another tax rate class. These adjustments are achieved by adjusting the tax rates. New construction expands the tax base for the community while Market Value determines how taxes are distributed between the properties in Lacombe.

Changes between Asset Classes

[Table 2a](#) shows the increase in assessment roll due to new construction (growth) and market value (inflation). The 2016 assessment roll includes all new construction as of December 31, 2015, while market values were based on values as of July 1, 2015. Residential construction was stronger than anticipated in 2015 compared to 2014 but was offset by a loss in grant in lieu assessment due to provincial policy changes. As a result, residential growth was higher than budgeted at 2.77%. Commercial new construction was strong but on target with commercial assessments growing by 5.85%. Housing prices picked up again in 2015 which is reflected in the market values of existing properties on the 2016 assessment roll with residential market values increasing by 5.68%, while commercial properties saw market values increase with a market appreciation of 1.98%. These increases are the average increases across each the various property classes. Variations exist on a property-by-property basis.

Growth in the 2016 Assessment Roll from new construction of residential and commercial properties was 2.77% and 5.85% respectively.

The Market Value of existing properties on the assessment roll increased by 5.68% for residential properties and increased 1.98% for commercial in 2016.

Budget versus Actual Assessment Changes

The higher than expected supplementary assessment from 2015 and minor reductions to the 2016 operating budget has allowed the City to reduce the municipal rate tax increase from 3.61% to 2.45% [Table 3](#) compares the actual assessment changes to the budget changes. Residential new construction (including grant in lieu properties) was higher than budgeted levels. Commercial new construction (including provincial and federal grant in lieu properties) was also higher than budget. As a result, the City will generate an additional \$18,136 in tax revenue while lowering the municipal tax rate increase. The municipal tax rate

increase is an average increase across all properties. The effect on individual properties will vary depending on the market value change of that particular property.

The City will generate an additional \$13,567 from 2015 supplementary assessment while new growth tax revenue was \$147,407 above budget. The higher supplementary assessment revenue and new growth has allowed Council to reduce the average municipal tax increase for 2016 from 3.61% to 2.45%

Taxation Rates

Besides influencing the distribution of property taxes between properties and property classes, the change in the City's assessment roll also results in a change in the various tax rates. Prior to 1994, assessment values were based on a fixed year and did not vary from year to year. Any change in tax rates (usually upward) resulted in a measurable increase in property taxes for a particular property. Now that assessments are updated on an annual basis, the relationship between tax rates and the amount of taxes levied to a particular property is not as clear. In fact the City's municipal tax rates had decreased every year since 1994. This trend reversed itself in 2010 and continued up to 2015. For 2016, the City's residential municipal tax rate decreased as market values increased faster than the tax rate. An increase in commercial market values was not enough to offset the municipal tax rate increase, and as a result the municipal commercial tax rate increased from 2015.

Lacombe Municipal Tax Rates

The City of Lacombe applies two tax rates to all City proper properties. Those areas still covered by the 2007 annexation agreements are covered by the Lacombe County Municipal rate. Reversing a trend that started in 2010, the increase in the market value of assessments resulted in a decrease in the municipal tax rate from 7.3769 to 7.1751 for residential properties. The percentage spread between residential and commercial tax rates increased in 2016 due to the larger increase in residential market values versus commercial market value appreciation. The 2016 commercial tax rate is 9.1345, up from 9.0165 in 2015. The commercial rate is equal to 1.2731 times the residential tax rate which is an increase from 2015 when the split was 1.2222. The target is 1.2 times residential. [Table 6a](#) and [Table 6b](#) highlight all of the tax rates as they apply to various classes of property owners.

Annexation Municipal Tax Rates

Properties annexed in 2007 and which have not been subdivided or further developed are still subject to the Lacombe County municipal tax rate. The City is relying on the County's forecasted tax rates included in its 2016 operating budget. The residential tax rate has increased from 2.3810 to 2.4220 from 2015, while the tax rate for farmland and commercial assessments has increased in 2016 from 4.8200 to 4.9530.

Education Tax Rate

There are two education tax rates in Lacombe, a residential and commercial education tax rate. The school tax requisition collected from both commercial properties and residential properties increased. The addition of new residential and commercial development partially offset the additional school tax requisition generated from higher equalized assessment and a fixed provincial tax rate. As a result, the residential education tax rate decreased from 2.3585 to 2.3435 for both the public system and the separate system. The commercial education tax rate also decreased from 3.5590 to 3.3871

Lacombe Foundation Tax Rate

The Foundation tax rate reflects the requirement to fund the City's share of the Foundations operating and capital requirements for 2016. A uniform tax rate of 0.0611 is applied to all non-annexation properties.

***The combined residential tax rate for 2016 will be 9.5797 compared to 9.8002 in 2015.
The combined commercial tax rate for 2016 will be 12.5827 compared to 12.6403 in 2015.***

Tax Implications for City Property Owners

Explaining the impact of these various assessment and tax changes in generalities is difficult due to the various assessment changes to the various 30 property classes. Providing examples based on average changes must be tempered by the fact that many properties will pay more while others pay less than the amounts identified in the average scenario. A review on a case-by-case basis has shown variation of residential property taxes from a decrease of \$15 to an increase as high as \$306.

[Table 7a](#), [Table 7b](#) and [Table 7c](#) outline the impact on average residential and commercial properties. For residential properties, the average increase is 3.3%. For a single-family dwelling assessed at \$284,315, the increase is \$87. For a commercial property assessed at \$706,098, the increase is \$157 or 1.80%. The split between municipal, foundation and education taxes is provided on [Table 7b](#) for residential and [Table 7c](#) for commercial.

A typical single-family home assessed at \$284,315 will see an overall property tax increase of \$87. A typical business property assessed at \$706,098 will see an overall property tax increase of \$157.

Conclusion

The 2016 assessment roll changes provide a variety of results depending on what type of property in question. The most positive news is the fact that supplementary assessment from the previous year exceeded budget expectations. As a result of this additional revenue and additional new residential growth that offset the loss of grant in lieu assessment, the approved municipal tax increase has been reduced from 3.61% to 2.45%. The additional foundation and school tax increases have been covered by the additional new residential and commercial construction. The average overall tax increase for a residential home is 3.30% while commercial overall taxes will increase an average of 1.80%. [Table 8](#) provides the detailed levies for all taxing authorities by property class. The 2016 Tax levy is summarized in [Table 9a](#) and [Table 9b](#) which are the foundation for this year's 2016 Property Tax bylaw.

Table 1
City of Lacombe
Number of Parcels for Assessment

	2015	2016	Increase	% Change
Residential	4470	4516	46	1%
Multi Family	34	49	15	44%
Vacant Residential	220	327	107	49%
Commercial	283	240	-43	-15%
Vacant Commercial	0	42	42	0%
Industrial	116	129	13	11%
Vacant Industrial	35	40	5	14%
Farmland -Occupied and Vacant	22	23	1	5%
Grant-In-Lieu	9	10	1	11%
Machinery and Equipment	12	12	0	0%
Railway/Airport	3	3	0	0%
Linear	17	17	0	0%
Exempt	382	390	8	2%
Totals	5603	5798	195	3.48%

Table 2a
City of Lacombe
2016 Tax Year - 2015 Assessment Analysis
Property Type Analysis (Including Linear)

General - As of April 21, 2016

Linear - As of April 19, 2016

Area	Type	code	Description	Previous	New previous	New assesment	Growth		Inflation	Growth	Inflation
							& Policy Change				
Lacombe	Exempt and Grants	160	Grant In Lieu - Municipal	\$11,963,950	\$12,439,460	\$12,445,270	\$475,510	\$5,810	3.97%	0.05%	
Lacombe	Exempt and Grants	300	Provincial Grant In Lieu	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	
Lacombe	Exempt and Grants	305	Federal Grant in Lieu	\$910,610	\$877,000	\$881,000	(\$33,610)	\$4,000	-3.69%	0.44%	
Lacombe	Exempt and Grants	500	Exempt	\$244,311,230	\$246,413,210	\$255,242,620	\$2,101,980	\$8,829,410	0.86%	3.61%	
Annexed	Exempt and Grants	510	Exempt - Annexed	\$65,170	\$65,170	\$65,170	\$0	\$0	0.00%	0.00%	
Exempt and Grants Total				\$257,250,960	\$259,794,840	\$268,634,060	\$2,543,880	\$8,839,220	0.99%	3.44%	
Annexed	Non-Res	195	Vac.Farm. - Annex.	\$176,000	\$176,000	\$176,000	\$0	\$0	0.00%	0.00%	
Lacombe	Non-Res	200	Farm Vacant	\$256,510	\$245,050	\$245,450	(\$11,460)	\$400	-4.47%	0.16%	
Lacombe	Non-Res	219	Vacant Commercial	\$0	\$8,894,000	\$10,396,500	\$8,894,000	\$1,502,500	#DIV/0!	#DIV/0!	
Lacombe	Non-Res	220	Commercial	\$151,753,260	\$151,377,720	\$152,874,430	(\$375,540)	\$1,496,710	-0.25%	0.99%	
Lacombe	Non-Res	221	Vacant Industrial	\$5,685,000	\$6,304,000	\$7,462,000	\$619,000	\$1,158,000	10.89%	20.37%	
Lacombe	Non-Res	240	Industrial	\$59,177,000	\$64,030,000	\$65,312,000	\$4,853,000	\$1,282,000	8.20%	2.17%	
Lacombe	Non-Res	250	Machinery and Equipment	\$2,316,910	\$2,316,910	\$2,291,710	\$0	(\$25,200)	0.00%	-1.09%	
Lacombe	Non-Res	260	Railway	\$381,780	\$381,310	\$405,160	(\$470)	\$23,850	-0.12%	6.25%	
Lacombe	Non-Res	270	Airport	\$2,346,360	\$2,434,560	\$2,433,640	\$88,200	(\$920)	3.76%	-0.04%	
Lacombe	Non-Res	310	Power and Pipe - Telus	\$3,258,070	\$3,393,810	\$3,491,590	\$135,740	\$97,780	4.17%	3.00%	
Lacombe	Non-Res	315	Power and Pipe - Fortis	\$4,916,050	\$4,922,910	\$5,228,240	\$6,860	\$305,330	0.14%	6.21%	
Lacombe	Non-Res	320	Power and Pipe - ATCO Gas	\$6,199,510	\$6,199,510	\$5,703,960	\$0	(\$495,550)	0.00%	-7.99%	
Lacombe	Non-Res	325	Well	\$24,390	\$24,390	\$23,480	\$0	(\$910)	0.00%	-3.73%	
Lacombe	Non-Res	330	Power and Pipe - Shaw	\$1,179,070	\$1,188,450	\$1,219,590	\$9,380	\$31,140	0.80%	2.64%	
Non-Residential				\$237,669,910	\$251,888,620	\$257,263,750	\$14,218,710	\$5,375,130	5.98%	2.26%	
Lacombe	Res	110	Residential	\$1,291,283,840	\$1,308,714,400	\$1,375,629,120	\$17,430,560	\$66,914,720	1.35%	5.18%	
Lacombe	Res	112	Multi Residential	\$51,927,000	\$60,032,630	\$65,486,740	\$8,105,630	\$5,454,110	15.61%	10.50%	
Annexed	Res	115	Residential - Annex.	\$997,030	\$1,025,030	\$1,052,030	\$28,000	\$27,000	2.81%	2.71%	
Lacombe	Res	130	Vacant Residential	\$19,808,350	\$32,042,850	\$37,108,750	\$12,234,500	\$5,065,900	61.76%	25.57%	
Residential				\$1,364,016,220	\$1,401,814,910	\$1,479,276,640	\$37,798,690	\$77,461,730	2.77%	5.68%	
Grand Total				\$1,858,937,090	\$1,913,498,370	\$2,005,174,450	\$54,561,280	\$91,676,080	2.94%	4.93%	

Table 2b
City of Lacombe
2016 Tax Year - 2015 Assessment Analysis
Area by Property Type Analysis (Including Linear)

Area	Type	code	Description	Previous	New previous	New assesment	Growth & Policy Change	Inflation	Growth
Annexed	Exempt and Grants	510	Exempt - Annexed	65,170	65,170	65,170	\$0	\$0	0.00%
	Exempt and Grants Total			\$65,170	\$65,170	\$65,170	\$0	\$0	0.00%
Annexed	Non-Res	195	Vac.Farm. - Annex.	176,000	176,000	176,000	\$0	\$0	0.00%
	Non-Residential			\$176,000	\$176,000	\$176,000	\$0	\$0	0.00%
Annexed	Res	115	Residential - Annex.	997,030	1,025,030	1,052,030	\$28,000	\$27,000	2.81%
	Residential			\$997,030	\$1,025,030	\$1,052,030	\$28,000	\$27,000	2.81%
	Annexed Total			\$1,238,200	\$1,266,200	\$1,293,200	\$28,000	\$27,000	2.26%
Lacombe	Exempt and Grants	160	Grant In Lieu - Municipal	11,963,950	12,439,460	12,445,270	\$475,510	\$5,810	3.97%
Lacombe	Exempt and Grants	300	Provincial Grant In Lieu	-	-	-	\$0	\$0	#DIV/0!
Lacombe	Exempt and Grants	305	Federal Grant in Lieu	910,610	877,000	881,000	(\$33,610)	\$4,000	-3.69%
Lacombe	Exempt and Grants	500	Exempt	244,311,230	246,413,210	255,242,620	\$2,101,980	\$8,829,410	0.86%
	Exempt and Grants Total			\$257,185,790	\$259,729,670	\$268,568,890	\$2,543,880	\$8,839,220	0.99%
Lacombe	Non-Res	200	Farm Vacant	256,510	245,050	245,450	(\$11,460)	\$400	-4.47%
Lacombe	Non-Res	219	Vacant Commercial	-	8,894,000	10,396,500	\$8,894,000	\$1,502,500	#DIV/0!
Lacombe	Non-Res	220	Commercial	151,753,260	151,377,720	152,874,430	(\$375,540)	\$1,496,710	-0.25%
Lacombe	Non-Res	221	Vacant Industrial	5,685,000	6,304,000	7,462,000	\$619,000	\$1,158,000	10.89%
Lacombe	Non-Res	240	Industrial	59,177,000	64,030,000	65,312,000	\$4,853,000	\$1,282,000	8.20%
Lacombe	Non-Res	250	Machinery and Equipment	2,316,910	2,316,910	2,291,710	\$0	(\$25,200)	0.00%
Lacombe	Non-Res	260	Railway	381,780	381,310	405,160	(\$470)	\$23,850	-0.12%
Lacombe	Non-Res	270	Airport	2,346,360	2,434,560	2,433,640	\$88,200	(\$920)	3.76%
Lacombe	Non-Res	310	Power and Pipe - Telus	\$3,258,070	\$3,393,810	\$3,491,590	\$135,740	\$97,780	4.17%
Lacombe	Non-Res	315	Power and Pipe - Fortis	\$4,916,050	\$4,922,910	\$5,228,240	\$6,860	\$305,330	0.14%
Lacombe	Non-Res	320	Power and Pipe - ATCO Gas	\$6,199,510	\$6,199,510	\$5,703,960	\$0	(\$495,550)	0.00%
Lacombe	Non-Res	325	Well	\$24,390	\$24,390	\$23,480	\$0	(\$910)	0.00%
Lacombe	Non-Res	330	Power and Pipe - Shaw	\$1,179,070	\$1,188,450	\$1,219,590	\$9,380	\$31,140	0.80%
	Non-Residential			\$237,493,910	\$251,712,620	\$257,087,750	\$14,218,710	\$5,375,130	5.99%
Lacombe	Res	110	Residential	1,291,283,840	1,308,714,400	1,375,629,120	\$17,430,560	\$66,914,720	1.35%
Lacombe	Res	112	Multi Residential	51,927,000	60,032,630	65,486,740	\$8,105,630	\$5,454,110	15.61%
Lacombe	Res	130	Vacant Residential	19,808,350	32,042,850	37,108,750	\$12,234,500	\$5,065,900	61.76%
	Residential			\$1,363,019,190	\$1,400,789,880	\$1,478,224,610	\$37,770,690	\$77,434,730	2.77%
	Lacombe Total			\$1,857,698,890	\$1,912,232,170	\$2,003,881,250	\$54,533,280	\$91,649,080	2.94%
	Grand Total			\$1,858,937,090	\$1,913,498,370	\$2,005,174,450	\$54,561,280	\$91,676,080	2.94%

Table 3 City of Lacombe Taxation Revenue Analysis								
		2016 Actual					2016 (Dec'15) Budget Projection	
		General Area		Annexation Area		Total		
		Residential	Non-Residential	Residential	Non-Residential			
Assessment -								
2015 Assessment (Updated) -Includes GIL		\$1,363,019,190	\$250,368,470	\$997,030	\$176,000	\$1,614,560,690	\$1,619,631,576	
Add:								
	Overall Market Appreciation	5.68%	\$ 77,399,480			\$ 77,399,480	41,878,653	
	Overall Market Appreciation	1.98%		4,965,190		4,965,190	3,853,846	
	Overall Market Appreciation	2.71%			27,000	27,000	11,964	
	Overall Market Appreciation	0.00%				-	-	
	Subtotal		\$ 1,440,418,670	\$ 255,333,660	\$ 1,024,030	\$ 176,000	\$ 45,744,463	
	New Assessable Properties	2.77%	37,770,690			37,770,690	21,349,000	
	New Assessable Properties	5.86%		14,660,610		14,660,610	10,793,109	
	New Assessable Properties	2.81%			28,000	28,000	4,985	
	New Assessable Properties	0.00%				-	-	
	Subtotal		\$ 37,770,690	\$ 14,660,610	\$ 28,000	\$ -	\$ 32,147,094	
2016 Assessment (Less Mun Exemptions)			\$ 1,478,189,360	\$ 269,994,270	\$ 1,052,030	\$ 176,000	\$ 1,749,411,660	
Taxable								
						Residential Growth (Includes GIL)	2.77%	1.56%
						Non-Residential Growth (Includes GIL)	5.85%	4.30%
						Average Growth (Weighted)	3.25%	1.98%
						Residential Market Value Increase (Includes GIL)	5.68%	3.06%
						Non-Residential Market Value Increase (Includes GIL)	1.98%	1.54%
						Average Market Value (Weighted)	5.10%	2.82%
Tax Rates								
2016 Budget								
	Residential		7.4183		2.3810			
	Non-Residential - Split Premium	23.90%		9.1912		4.8200		
	Non-Residential - Split Premium (Target)	20.00%		8.9020				
2016 Actual								
	Residential		7.1751		2.4220			
	Non-Residential - Split Premium - Target	20%		8.6101		4.9530		
	Actual	27.31%		9.1345				
Municipal Tax Revenues								
						2016 Forecasted Municipal Tax Levy	2016 Budget	
2016 Levy								
	2015 Levy (includes supplementary)		\$ 10,088,025	\$ 2,276,564	\$ 2,374	\$ 848	\$ 12,367,811	
	% Increase	2.45%	247,157	55,776	106	23	445,900	
	Subtotal		\$ 10,335,182	\$ 2,332,340	\$ 2,480	\$ 872	\$ 12,670,873	
	Assessment Growth		271,008	133,917	68	-	404,994	
	Total Revenue (excludes 2016 Supplementary)		\$ 10,606,190	\$ 2,466,257	\$ 2,548	\$ 872	\$ 13,075,867	
	% Split		81.13%	18.87%				
	Total Additional 2016 Revenue*						\$18,136	
	- Difference between Projected & Actual 2015 Supplementary				\$ 13,567			
	- From Additional 2016 Construction				147,407			
	- From Reduction in Tax Increase				(142,838)			
2016 Average Tax Rate Increase (includes influence of Lacombe County Tax Rate changes)						2.45%		

Table 4					
City of Lacombe					
2016 Education Tax Calculation					
		2015	2016	%	
				Change	
Equalized Assessment					
Residential					
	Alberta School Foundation	\$ 1,242,324,986	\$ 1,331,792,173	7.20%	
	St. Thomas Aquinas RCSR	57,755,982	61,915,332	7.20%	
	Total Residential	\$ 1,300,080,968	\$ 1,393,707,505	7.20%	
Non-Residential					
	Alberta School Foundation	\$ 241,134,079	\$ 240,190,690	-0.39%	
	St. Thomas Aquinas RCSR	235,595	234,673	-0.39%	
	Total Non-residential	241,369,674	240,425,363	-0.39%	
Machinery and Equipment					
	Alberta School Foundation	\$ -	\$ -		
	St. Thomas Aquinas RCSR	-	-		
	Total Machinery and Equipment	-	-		
	Total	\$ 1,541,450,642	\$ 1,634,132,868	6.01%	
Education Tax Levy (Total)					
Provincial Mill Rate on Equalized					
	Residential	2.5000	2.4800	-0.80%	
	Non-Residential	3.6700	3.6400	-0.82%	
Total Requisition					
Alberta School Foundation (ASFF)					
	Residential	\$ 3,105,812.47	\$ 3,302,844.59	6.34%	
	Non-Residential	884,962.06	874,294.11	-1.21%	
	Subtotal	\$ 3,990,774.53	4,177,138.70	4.67%	
St Thomas Aquinas RCSR					
	Residential	\$ 144,389.96	\$ 153,550.02	6.34%	
	Non-Residential	864.63	854.21	-1.21%	
	Subtotal	\$ 145,254.59	\$ 154,404.23	6.30%	
Total					
	Residential	\$ 3,250,202.43	\$ 3,456,394.61	6.34%	
	Non-Residential	885,826.69	875,148.32	-1.21%	
	Subtotal	\$ 4,136,029.12	\$ 4,331,542.93	4.73%	
Recovery of prior year overlevy					
Alberta School Foundation (ASFF)					
	Residential	\$ (51,169.08)	\$ (9,219.06)		
	Non-Residential	(3,075.35)	(9,228.42)		
	Subtotal	\$ (54,244.43)	\$ (18,447.48)		
St Thomas Aquinas RCSR					
	Residential	\$ 17,948.42	\$ 19,366.38		
	Non-Residential	(825.00)	(732.67)		
	Subtotal	\$ 17,123.42	\$ 18,633.71		
Total					
	Residential	\$ (33,220.66)	\$ 10,147.32		
	Non-Residential	(3,900.35)	(9,961.09)		
	Total	\$ (37,121.01)	\$ 186.23		
Live Assessment available for Education Tax Levy					
Alberta School Foundation (ASFF)					
	Residential	\$ 1,303,391,970	\$ 1,416,090,890	8.65%	
	Non-Residential	247,556,940	255,182,420	3.08%	
	Mach & Equip	-	-	0.00%	
	Total Assessment	\$ 1,550,948,910	\$ 1,671,273,310	7.76%	
St Thomas Aquinas RCSR					
	Residential	\$60,595,000	\$63,150,500	4.22%	
	Non-Residential	\$241,870	\$250,870	3.72%	
	Mach & Equip	-	\$0	0.00%	
	Total Assessment	\$ 60,836,870	\$ 63,401,370	4.22%	
Total					
	Residential	\$ 1,363,986,970	\$ 1,479,241,390	8.45%	
	Non-Residential	247,798,810	255,433,290	3.08%	
	Mach & Equip	-	-	0.00%	
	Total Assessment	\$ 1,611,785,780	\$ 1,734,674,680	7.62%	
Live Mill Rate					
Alberta School Foundation (ASFF)					
	Residential	2.3585	2.3435	-0.64%	
	Non-Residential	3.5590	3.3871	-4.83%	
	Mach & Equip	0.000	0.000	0.00%	
St Thomas Aquinas RCSR					
	Residential	2.3585	2.3435	-0.64%	
	Non-Residential	3.5590	3.3871	-4.83%	
	Mach & Equip	0.000	0.000	0.00%	

Table 6a			
City of Lacombe			
2016 Property Tax Rates			
	2015	2016	%
	Assessment	Assessment	Change
Total Tax Rates - Excluding Annexed Properties			
Residential - subject to Public School requisition			
Municipal rate	7.3769	7.1751	-2.74%
Lacombe Foundation rate	0.0648	0.0611	-5.71%
School Foundation rate	2.3585	2.3435	-0.64%
Total Tax Rate	9.8002	9.5797	-2.25%
Residential - subject to Separate School requisition			
Municipal rate	7.3769	7.1751	-2.74%
Lacombe Foundation rate	0.0648	0.0611	-5.71%
St. Thomas Aquinas rate	2.3585	2.3435	-0.64%
Total Tax Rate	9.8002	9.5797	-2.25%
Non-Residential - not subject to school requisition			
Municipal rate	9.0165	9.1345	1.31%
Lacombe Foundation rate	0.0648	0.0611	-5.71%
School Foundation rate			
Total Tax Rate	9.0813	9.1956	1.26%
Non-Residential - subject to Public School requisition			
Municipal rate	9.0165	9.1345	1.31%
Lacombe Foundation rate	0.0648	0.0611	-5.71%
School Foundation rate	3.5590	3.3871	-4.83%
Total Tax Rate	12.6403	12.5827	-0.46%
Non-Residential - subject to Separate School requisition			
Municipal rate	9.0165	9.1345	1.31%
Lacombe Foundation rate	0.0648	0.0611	-5.71%
St. Thomas Aquinas rate	3.5590	3.3871	-4.83%
Total Tax Rate	12.6403	12.5827	-0.46%
Machinery & Equipment - not subject to school requisition			
Municipal rate	9.0165	9.1345	1.31%
Lacombe Foundation rate	0.0648	0.0611	-5.71%
School Foundation rate			
Total Tax Rate	9.0813	9.1956	1.26%

Table 6b			
City of Lacombe			
2016 Property Tax Rates			
	2015	2016	%
	Assessment	Assessment	Change
Total Tax Rates - Annexed Properties			
Residential - subject to Public School requisition			
County Municipal Residential rate	2.3810	2.4220	1.72%
School Foundation rate	2.3585	2.3435	-0.64%
Total Tax Rate	4.7395	4.7655	0.55%
Residential - subject to Separate School requisition			
County Municipal Residential rate	2.3810	2.4220	1.72%
St. Thomas Aquinas rate	2.3585	2.3435	-0.64%
Total Tax Rate	4.7395	4.7655	0.55%
Non-Residential - not subject to school requisition			
County Municipal Non-Residential rate	4.8200	4.9530	2.76%
School Foundation rate			
Total Tax Rate	4.8200	4.9530	2.76%
Non-Residential - subject to school requisition			
County Municipal Non-Residential rate	4.8200	4.9530	2.76%
School Foundation rate	3.5590	3.3871	-4.83%
Total Tax Rate	8.3790	8.3401	-0.46%
Farmland - subject to school requisition			
County Municipal Farmland rate	4.8200	4.9050	1.76%
School Foundation rate	2.3585	2.3435	-0.64%
Total Tax Rate	7.1785	7.2485	0.98%
Machinery & Equipment - not subject to school requisition			
County Machinery & Equipment rate	4.8200	4.9530	2.76%
School Foundation rate			
Total Tax Rate	4.8200	4.9530	2.76%

Table 7a										
City of Lacombe										
2016 Property Tax Comparisons - Summary										
	2015			%	2016					
	Assessment	Tax Rate	Total Bill	Increase	Assessment	Tax Rate	Total Bill	Increase	Percentage	
				Value				(Decrease)	Change	
Residential	\$269,037	9.8002	\$2,637	5.68%	\$284,315	9.5797	\$2,724	\$87	3.30%	
	\$373,033	9.8002	\$3,656	5.68%	\$394,218	9.5797	\$3,776	\$121	3.30%	
	\$522,247	9.8002	\$5,118	5.68%	\$551,905	9.5797	\$5,287	\$169	3.30%	
Non-Residential	\$236,456	12.6403	\$2,989	2.26%	\$241,808	12.5827	\$3,043	\$54	1.80%	
	\$690,471	12.6403	\$8,728	2.26%	\$706,098	12.5827	\$8,885	\$157	1.80%	
	\$1,380,940	12.6403	\$17,455	2.26%	\$1,412,195	12.5827	\$17,769	\$314	1.80%	

Table 7b
City of Lacombe
2016 Property Tax Comparisons - Detailed

Residential							
#1							
<u>Year</u>	<u>Assessment</u>	<u>Mun</u>	<u>Foundation</u>	<u>School</u>	<u>Total</u>		
2015	269,037	7.3769	0.0648	2.3585	9.8002		
2016	284,315	7.1751	0.0611	2.3435	9.5797		
<u>Change</u>							
2015	269,037	1,984.66	17.43	634.52	2,636.61		
2016	<u>284,315</u>	<u>2,039.99</u>	<u>17.37</u>	<u>666.29</u>	<u>2,723.65</u>		
Difference	15,278	55.33	(0.06)	31.77	87.04		
% Change	5.68%	2.79%	-0.36%	5.01%	3.30%		
#2							
<u>Year</u>	<u>Assessment</u>	<u>Mun</u>	<u>Foundation</u>	<u>School</u>	<u>Total</u>		
2015	373,033	7.3769	0.0648	2.3585	9.8002		
2016	394,218	7.1751	0.0611	2.3435	9.5797		
<u>Change</u>							
2015	373,033	2,751.83	24.17	879.80	3,655.80		
2016	<u>394,218</u>	<u>2,828.55</u>	<u>24.09</u>	<u>923.85</u>	<u>3,776.49</u>		
Difference	21,184	76.72	(0.09)	44.05	120.69		
% Change	5.68%	2.79%	-0.36%	5.01%	3.30%		
#3							
<u>Year</u>	<u>Assessment</u>	<u>Mun</u>	<u>Foundation</u>	<u>School</u>	<u>Total</u>		
2015	522,247	7.3769	0.0648	2.3585	9.8002		
2016	551,905	7.1751	0.0611	2.3435	9.5797		
<u>Change</u>							
2015	522,247	3,852.56	33.84	1,231.72	5,118.12		
2016	<u>551,905</u>	<u>3,959.97</u>	<u>33.72</u>	<u>1,293.39</u>	<u>5,287.08</u>		
Difference	29,658	107.41	(0.12)	61.67	168.96		
% Change	5.68%	2.79%	-0.36%	5.01%	3.30%		

Table 7c							
City of Lacombe							
2016 Property Tax Comparisons - Detailed							
Non-Residential							
		#1					
		Year	Assessment	Mun	Foundation	School	Total
		2015	236,456	9.0165	0.0648	3.5590	12.6403
		2016	241,808	9.1345	0.0611	3.3871	12.5827
		<u>Change</u>					
		2015	236,456	2,132.01	15.32	841.55	2,988.88
		2016	<u>241,808</u>	<u>2,208.80</u>	<u>14.77</u>	<u>819.03</u>	<u>3,042.60</u>
		Difference	5,351.65	76.79	(0.55)	(22.52)	53.72
		% Change	2.26%	3.60%	-3.58%	-2.68%	1.80%
		#2					
		Year	Assessment	Mun	Foundation	School	Total
		2015	690,471	9.0165	0.0648	3.5590	12.6403
		2016	706,098	9.1345	0.0611	3.3871	12.5827
		<u>Change</u>					
		2015	690,471	6,225.63	44.74	2,457.38	8,727.76
		2016	<u>706,098</u>	<u>6,449.85</u>	<u>43.14</u>	<u>2,391.62</u>	<u>8,884.62</u>
		Difference	15,627	224.22	(1.60)	(65.76)	156.86
		% Change	2.26%	3.60%	-3.58%	-2.68%	1.80%
		#3					
		Year	Assessment	Mun	Foundation	School	Total
		2015	1,380,940	9.0165	0.0648	3.5590	12.6403
		2016	1,412,195	9.1345	0.0611	3.3871	12.5827
		<u>Change</u>					
		2015	1,380,940	12,451.25	89.48	4,914.77	17,455.50
		2016	<u>1,412,195</u>	<u>12,899.69</u>	<u>86.29</u>	<u>4,783.24</u>	<u>17,769.22</u>
		Difference	31,254	448.44	(3.20)	(131.52)	313.72
		% Change	2.26%	3.60%	-3.58%	-2.68%	1.80%

**Table 8
City of Lacombe
2016 Assessment and Tax Levy by Assessment Class**

Ref	Assessment Class	Assessment						Tax Levy						
		Land	Improvements	Other	Linear	Total	Exemptions	Total w/ exemptions	Municipal	Street Renewal	Alta School Foundation	St. Thomas Foundation	Total	
110	Residential	458,540,510	916,506,610	582,000		\$1,375,629,120		1,375,629,120	9,870,276.50		3,075,793.65	147,993.20	84,050.94	13,178,114.29
112	Multi Family	664,000	2,540,000	62,282,740		\$65,486,740		65,486,740	469,873.91		153,468.18	0.00	4,001.24	627,343.33
130	Vacant Residential	37,108,750				\$37,108,750	(35,250)	37,073,500	266,006.07		86,881.75		2,265.19	355,153.01
	Total Residential & Farmland	496,313,260	919,046,610	62,864,740	0	\$1,478,224,610	(35,250)	1,478,189,360	10,606,156.48		3,316,143.58	147,993.20	90,317.37	14,160,610.63
160	Grant In Lieu - Municipal	125,280	5,810	12,314,180		\$12,445,270		12,445,270	113,681.32				760.41	114,441.73
200	Farm Vacant	245,450				\$245,450		245,450	2,242.06		831.36		15.00	3,088.42
219	Vacant Commercial	10,396,500				\$10,396,500		10,396,500	94,966.83		35,213.99		635.23	130,816.05
220	Commercial	5,307,190	6,530,600	141,036,640		\$152,874,430	(419,750)	152,454,680	1,392,597.27		515,613.76	765.48	9,314.98	1,918,291.49
221	Vacant Industrial	7,462,000				\$7,462,000		7,462,000	68,161.64		25,274.54		455.93	93,892.11
240	Industrial	3,092,000	3,376,000	58,844,000		\$65,312,000		65,312,000	596,592.46		221,218.28		3,990.56	821,801.30
250	Machinery and Equipment		2,291,710			\$2,291,710		2,291,710	20,933.62				140.02	21,073.64
260	Railway		405,160			\$405,160		405,160	3,700.93		1,372.32		24.76	5,098.01
270	Airport	420,640	2,013,000			\$2,433,640		2,433,640	22,230.08		8,242.98		148.70	30,621.76
300	Provincial Grant In Lieu					\$0		0	0.00		0.00		0.00	0.00
305	Federal Grant in Lieu	43,000		838,000		\$881,000		881,000	8,047.49		2,984.04		53.83	11,085.36
310	Power and Pipe - Telus				3,491,590	\$3,491,590		3,491,590	31,893.93		11,826.36		213.34	43,933.63
315	Power and Pipe - Fortis				5,228,240	\$5,228,240		5,228,240	47,757.36		17,708.57		319.45	65,785.38
320	Power and Pipe - ATCO Gas				5,703,960	\$5,703,960		5,703,960	52,102.82		19,319.88		348.51	71,771.21
325	Wells				23,480	\$23,480		23,480	214.48		79.53		1.43	295.44
330	Power and Pipe - Shaw				1,219,590	\$1,219,590		1,219,590	11,140.34		4,130.87		74.52	15,345.73
	Total Non Residential	27,092,060	14,622,280	213,032,820	15,666,860	270,414,020	(419,750)	269,994,270	2,466,262.63		863,816.48	765.48	16,496.67	3,347,341.26
	Total Taxable	523,405,320	933,668,890		15,666,860	1,748,638,630	(455,000)	1,748,183,630	13,072,419.11		4,179,960.06	148,758.68	106,814.04	17,507,951.89
500	Exempt	72,301,410	157,094,590	25,846,620		\$255,242,620		255,242,620						
	Total Muncipal	595,706,730	1,090,763,480		15,666,860	2,003,881,250	(455,000)	2,003,426,250	13,072,419.11		4,179,960.06	148,758.68	106,814.04	17,507,951.89
115	Residential - Annex.	709,000	343,030			\$1,052,030		1,052,030	2,548.02		2,465.43	0.00		5,013.45
195	Vac. Farm. - Annex.	176,000				\$176,000		176,000	863.28		511.89	84.24		1,459.41
255	Machinery & Equip.-Annex.	0	0			\$0		0	0.00					0.00
	Total Taxable	885,000	343,030		0	1,228,030	0	1,228,030	3,411.30		2,977.32	84.24	0.00	6,472.86
505	Exempt					\$0		0						
510	Exempt - House on Farmland	0	65,170			\$65,170		65,170						
	Total Exempt	0	65,170		0	\$65,170		65,170	\$0		\$0	\$0	\$0	\$0
	Total Annexation Area	885,000	408,200		0	1,293,200	0	1,293,200	3,411.30		2,977.32	84.24	0.00	6,472.86
	Total Assessment	596,591,730	1,091,171,680		15,666,860	2,005,174,450	(455,000)	2,004,719,450	13,075,830.41		4,182,937.38	148,842.92	106,814.04	17,514,424.75
	Revenue Targets							**	13,075,867.00		\$4,158,691.22	173,037.94	106,852.33	17,514,448.49
									(36.59)		24,246.16	(24,195.02)	(38.29)	(23.74)

Additional exemptions					Residential vs Non-residential rate comparison per year			
class	Name	Roll Number	Land	Improvements	Other	2016	2015	2014
220	Lacombe Kozy Korner	040007650			\$170,750	7.1751	7.377	7.247
130	Kozy Korner Parking lot	040007640	\$35,250			9.1345	9.017	8.726
220	Eureka Lodge	080001010			\$249,000			

Table 9a
City of Lacombe
2016 Property Tax Revenue

	2015 Assessment	2016 Assessment	% Change
Assessment			
Residential subject to School Tax	\$ 1,362,989,940	\$ 1,478,189,360	8.45%
Commercial not subject to School Tax	-	12,445,270	
Commercial	247,622,810	255,257,290	3.08%
Machinery and Equipment	2,316,910	2,291,710	-1.09%
	\$1,612,929,660	\$1,748,183,630	8.39%
Annexed Properties			
Residential subject to School Tax	\$ 997,030	\$ 1,052,030	5.52%
Farmland	176,000	176,000	0.00%
Commercial/Industrial	-	-	
Machinery and Equipment	-	-	
	\$ 1,173,030	\$ 1,228,030	4.69%
Total Assessment	\$ 1,614,102,690	\$ 1,749,411,660	8.38%
Tax Revenue (Previous Year Excludes Supplementary Taxation)			
Municipal			
Municipal - Residential Mill Rate	7.3769	7.1751	-2.74%
Municipal - Non - Residential Mill Rate	9.0165	9.1345	1.31%
Municipal - Mach & Equip Mill Rate	9.0165	9.1345	1.31%
Residential Municipal Tax Revenue	\$ 10,054,640	\$ 10,606,156	5.49%
Non-residential Municipal Tax Revenue	2,232,691	2,445,329	9.52%
Machinery & Equip Mun Tax Revenue	20,890	20,934	0.21%
Municipal Tax Revenue	\$ 12,308,222	\$ 13,072,419	6.21%
Annexed Properties			
County Municipal Farmland Tax Rate	4.8200	4.9050	1.76%
County Municipal Residential Tax Rate	2.3810	2.4220	1.72%
County Municipal Commercial/Industrial	4.8200	4.9530	2.76%
County Municipal Machinery and Equipment	4.8200	4.9530	2.76%
Farmland Revenue	\$ 848	863	1.76%
Residential Tax Revenue - Annexed Properties	2,374	2,548	7.33%
Non-Residential Tax Revenue - Annexed Properties	-	-	0.00%
Machinery & Equip. Tax Revenue - Annexed Properties	-	-	0.00%
Annexed Properties Tax Revenue	\$ 3,222	\$ 3,411	5.87%
Total Tax Revenue	\$ 12,311,444	\$ 13,075,830	6.21%

Table 9b
City of Lacombe
2016 Property Tax Revenue

	2015 Assessment	2016 Assessment	% Change
Lacombe Foundation (exclusive of East Area Annexation properties)			
Foundation - Residential Mill Rate	0.0648	0.0611	-5.71%
Foundation - Non - Residential Mill Rate	0.0648	0.0611	-5.71%
Foundation - Mach & Equip Mill Rate	0.0648	0.0611	-5.71%
Residential Foundation Requisition Revenue	\$ 88,322	\$ 90,317	2.26%
Non - Res Foundation Requisition Revenue	16,046	16,357	1.94%
Machinery & Equip Fndtn Requisition Rev	150	140	-6.74%
Total Foundation Requisition	\$ 104,518	\$ 106,814	2.20%
St. Thomas Aquinas RCSD			
Education - Residential Mill Rate	2.3585	2.3435	-0.64%
Education - Non - Residential Mill Rate	3.5590	3.3871	-4.83%
Education - Machinery and Equipment	0.0000	0.0000	0.00%
Residential Education Tax Revenue	\$ 142,913	\$ 147,993	3.55%
Non-residential Education Tax Revenue	861	850	-1.29%
Machinery and Equipment Tax Revenue	-	-	
St. Thomas Aquinas RCSD	\$ 143,774	\$ 148,843	3.53%
Alberta School Foundation Fund			
Education - Residential Mill Rate	2.3585	2.3435	-0.64%
Education - Non - Residential Mill Rate	3.5590	3.3871	-4.83%
Education - Machinery and Equipment	0.0000	0.0000	0.00%
Residential Education Tax Revenue	\$ 3,074,050	\$ 3,318,609	7.96%
Non-residential Education Tax Revenue	881,055	864,328	-1.90%
Machinery and Equipment Tax Revenue	-	-	
Alberta School Foundation Fund	\$ 3,955,105	\$ 4,182,937	5.76%
Summary (Previous Year Excludes Supplementary Taxation)			
Municipal Revenue	\$ 12,308,222	\$ 13,072,419	6.21%
Municipal Revenue - Annexed Areas A,B,C	3,222	3,411	5.87%
Lacombe Foundation Requisition	104,518	106,814	2.20%
St Thomas Aquinas RCSD	143,774	148,843	3.53%
Alberta School Foundation Fund	3,955,105	4,182,937	5.76%
	\$ 16,514,841	\$ 17,514,425	6.05%