

**AGENDA**  
**Council of the City of Lacombe**  
**Monday, May 8, 2017 at 5:00 PM**  
**in Council Chambers**

Time Reference	Agenda Item
	<b><u>Regular Meeting of Council</u></b>
5:00	<b>1. CALL TO ORDER</b>
	<b>2. ADOPTION OF AGENDA</b>
	<b>3. ADOPTION OF MINUTES</b>
	<ul style="list-style-type: none"> <li>• April 24, 2017</li> </ul>
	<b>4. INFORMATION</b>
	<ul style="list-style-type: none"> <li>• Council Mailbox</li> </ul>
	<b>5. PUBLIC HEARINGS</b>
5:30	<b>Bylaw 263.5 (SE Area Structure Plan Update)</b>
	<b>6. PRESENTATIONS</b>
	<b>7. BYLAWS</b>
	<u>Financial Services</u> <b>Bylaw 440 (2017 Property Tax Rate)</b> (First and Second Reading)
	<u>Planning and Development Services</u> <b>Bylaw 263.5 (SE Area Structure Plan Update)</b> (Second and Third Reading)
	<b>Bylaw 223.15 (Road Closures, License to Occupy)</b> (First and Second Reading)
	<b>8. UNFINISHED BUSINESS</b>
	<u>Council &amp; Legislative</u> <b>Grant Stacking Protocol</b>

	<b>9. NEW BUSINESS</b>
	<p><u>Financial Services</u></p> <p><b>2017 Operating Budget Adjustments</b></p> <p><b>Property Tax Exemption (Legion) Property</b></p> <p><b>Property Tax Forgiveness (Residential)</b></p>
	<b>10. REPORTS</b>
	<p>Mayor and Council</p> <p>Christie;</p> <p>Armishaw;</p> <p>Bouwsema;</p> <p>Harder;</p> <p>Konnik;</p> <p>McQuesten;</p> <p>Rempel</p> <p>Future Agenda Items</p>
	<b>11. IN CAMERA</b>
	<b>12. NOTICES OF MOTION</b>
	<p><b>13. ADJOURNMENT</b></p> <p><b><u>Future Meetings</u></b></p> <ul style="list-style-type: none"> <li>• Tuesday, May 23, 2017 Regular Council Meeting</li> <li>• Monday, June 12, 2017 Regular Council Meeting</li> <li>• Monday, June 26, 2017 Regular Council Meeting</li> </ul>



## CITY COUNCIL AGENDA REPORT

<b>SUBJECT:</b>	<b>City of Lacombe Bylaw 440 – Property Tax Bylaw</b>
<b>PREPARED BY:</b>	<b>Michael Minchin, Corporate Services Director</b>
<b>PRESENTED BY:</b>	<b>Michael Minchin, Corporate Services Director</b>
<b>DATE:</b>	<b>May 8, 2017</b>

### **PURPOSE:**

To present Bylaw 440, the City's annual property tax bylaw for introduction and Council's consideration for 1<sup>st</sup> and potentially 2<sup>nd</sup> reading.

### **BACKGROUND:**

In accordance with section 353 of the Municipal Government Act, RSA 2000, c M-26, the City must adopt, on an annual basis, a property tax bylaw for the levying of property taxes within the City of Lacombe. Bylaw 440 has been prepared to meet the requirements of the Act. Bylaw 440 also authorizes the levying of the annual supplementary tax levy in the fall using the rates established in the bylaw.

The property assessment estimates included in the Bylaw are based on the completed 2017 assessment roll. The 2017 roll is based on market values established on July 1, 2016 and physical condition of property as of December 31, 2016. The deadline for assessment appeals was April 28, 2017.

Subject to approval of this bylaw, tax notices will be mailed by the end of the month with the deadline to pay without penalty being June 30<sup>th</sup>.

In addition to levying municipal property taxes, Bylaw 440 also establishes levies on behalf of the Lacombe Foundation, the Alberta School Foundation Fund and the St. Thomas Aquinas RCS Regional Division No. 38. In total, Bylaw 440 will levy approximately \$18.37 million in property taxes for the various entities in 2017.

The City levies two different sets of municipal tax rates: one set for City proper areas and one based on the Lacombe County tax rates for areas subject to an annexation agreement. Properties annexed under the 2007 annexation agreement will pay county tax rates until 2022 or until developed or subdivided.

Based on Council's approval of the 2017 operating budget and the recommended changes in the spring budget amendment, the 2017 municipal property tax increase remains at 3.26%. The municipal tax rates reflects this rate increase.

## ISSUE ANALYSIS:

Bylaw 440 establishes tax rates based on the actual assessment values contained in the 2017 assessment roll. The City's actual assessment growth generated an additional \$24,000 in municipal tax revenue than budgeted. When compared with the 2017 budget, this increase is significantly lower than the growth forecasted in December, 2016. This lower than anticipated revenue has meant a shortfall of \$195,000 to the City's operating budget. Administration has identified other spending and revenue alternatives to the 2017 operating budget through the spring amendment document which is also on this meeting's agenda. Those alternatives have allowed Administration to keep the proposed municipal tax increase to the previously approved rate of 3.26%.

As Table 1 points out, overall residential growth was -0.34% compared to a budget forecast of 1.09%. Non-residential growth was weaker than forecasted (2.69% actual compared with 3.97% budget). The negative value for residential was the result of lower than forecasted new development which did not cover the higher than expected decline in the overall residential base.

Mass market values reflect July 1<sup>st</sup>, 2016 prices. Those prices resulted in an average decrease in assessments of 0.92% for residential assessments on average, while non-residential properties saw an average increase of 10.40%.

Based on this variation in market values between the residential and non-residential assessments, the non residential tax rate to residential rate ratio decreased below the target of 1.2 to 1.1364 (the 2017 budget forecast was 1.32). Allowing the ratio to float ensures that there is no shift in tax revenue from non-residential to residential properties due to changes in market valuations.

### Municipal Property Tax

The lower than anticipated assessment growth has required Administration to identify several changes to the City's operating budget in order to ensure the 3.26% target rate increase is maintained. The combined tax increase and the variation in market values results in a lower non-residential tax rate and a higher residential tax rate. The proposed residential tax rate increases from the budgeted 7.3621 to 7.5033 per \$1,000 of assessment. The non-residential tax rate is reduced from the budgeted 9.7234 to the actual rate of 8.5264 per \$1,000 of assessment.

### Education Property Tax

For the second year in a row, residential property owners will see an increase in their school property taxes. The Provincial school requisition for residential properties increased by 8.49%. With little residential assessment growth and lower market values for residential properties, the average homeowner will see an increase of 8.92% on the school portion of their property tax bill. The non-residential school tax requisition increased as well in 2017. However, this increase was partially offset by non-residential growth. As a result, non-residential properties will see on average an increase of only 2.95% in school taxes.



Overall

The combined effect of these changes, and the market changes that occurred in 2017 mean that the typical house assessed at \$281,000 will see a total tax increase of \$134 or 4.92%. This includes an increase of 8.9%, on average, on the school portion of the property taxes or \$59.

The typical non-residential property will see a 3.49% increase in overall property taxes. Included in this increase is a 2.95% increase in school tax. In dollar terms, a non-residential property assessed at \$783,000 will see an increase of \$310 with \$70 of the increase required for the school requisition.

Tables 2a, 2b, and 2c attached to this memo shows the average impact for various property amounts for residential and non-residential compared to the original bylaw.

**FINANCIAL IMPLICATIONS:**

Bylaw 440 will generate a combined \$18.37 million in tax revenue and is composed of the following:

Municipal Revenue	\$13,570,247
Municipal Revenue - Annexed	3,284
Lacombe Foundation Requisition	113,952
St Thomas Aquinas RCSD	151,398
Alberta School Foundation Fund	<u>4,531,207</u>
Total	\$18,370,088

**LEGISLATIVE AUTHORITY:**

Sections 353-359.2 of the Municipal Government Act, RSA 2000, c. M-26

**STRATEGIC/BUSINESS PLAN REFERENCE:**

N/a

**ALTERNATIVES:**

- If Council supports the spring amendments budget changes put forth at this meeting and agrees to maintain the tax rate increase at 3.26%, then this bylaw can receive 1<sup>st</sup> and 2<sup>nd</sup> reading.
- If Council wants a lower tax rate increase, then Administration is recommending only 1<sup>st</sup> reading, as this bylaw will have to be adjusted to reflect the change in rates.

**ATTACHMENTS:**

- City of Lacombe Bylaw 440 , Property Tax Bylaw



- Table 1 – Municipal Tax Revenue Analysis
- Tables 2a,b&c – 2017 Property Tax Comparison – Summary

**ACTION/RECOMMENDATION:**

Administration is recommending that Council give 1<sup>st</sup> and 2<sup>nd</sup> readings to Bylaw 440.

1. That Council give first reading to Bylaw 440.
2. That Council give second reading for Bylaw 440.





## CITY COUNCIL AGENDA REPORT

<b>SUBJECT:</b>	<b>Southeast Area Structure Plan Amendment – Public Hearing &amp; 2<sup>nd</sup> &amp; 3<sup>rd</sup> Reading</b>
<b>PREPARED BY:</b>	<b>Jennifer Kirchner, Planner II</b>
<b>PRESENTED BY:</b>	<b>Deb Bonnett, Acting Manager of Planning &amp; Development</b>
<b>DATE:</b>	<b><del>April 10, 2017</del> May 8, 2017</b>

### PURPOSE:

The City of Lacombe, in conjunction with Tricon, prepared the amendments to the Southeast Area Structure Plan. **This Bylaw is being presented for 2<sup>nd</sup> and 3<sup>rd</sup> Reading. First Reading was held on April 10, 2017.**

### BACKGROUND:

Administration has been working with the applicant to prepare amendments to the Southeast Area Structure Plan. The Plan was adopted in December 1999 and was most recently amended in June 2012. This amendment will not only facilitate redevelopment in the industrial area of the plan, but it will also ensure alignment with the City's 2015 Municipal Development Plan.

### ISSUE ANALYSIS:

The proposed amendments to this plan can be broken into 3 categories:

- Alignment with the 2015 Municipal Development Plan (MDP)
- Proposed and existing Industrial Development
- Updates to include adopted Outline Plans

There are a number of proposed amendments which will ensure that this Plan aligns with the MDP. These amendments do not change the overall intent or proposed land uses of the area; rather they ensure that future developments within the area align with the City's current development standards. The following are some highlights of the new policies and requirements that have been added to the Plan.

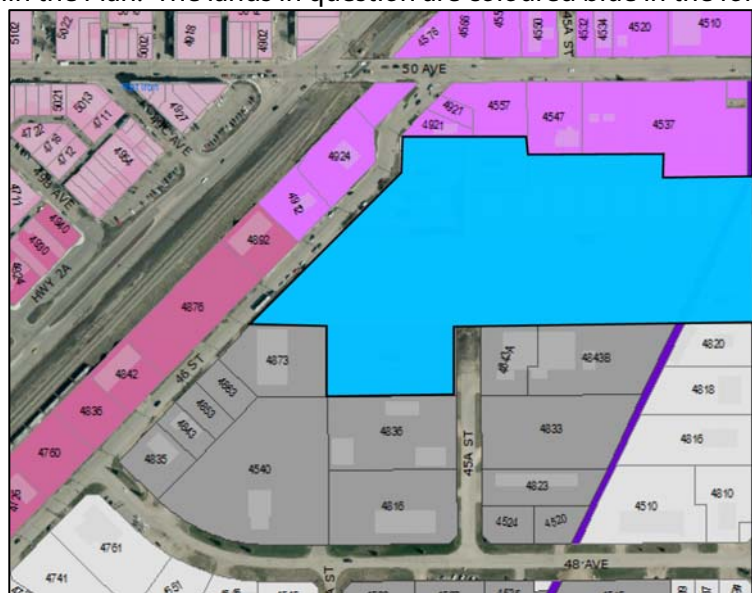
- Section 2.3.2 – Discusses specific policies and plans from the MDP that focus on the plan area.
  - This includes the long range planning objectives for land development. If land already has an adopted outline plan in place, the plan can carry forward as is. Amendments to an existing outline plan should look to implement these new policies where possible:
    - Commercial Development.
      - Addition of a Neighbourhood Commercial Site in the plan area.
      - Commercial Development along 50 Avenue and Highway 2A.
    - Residential Development

- Development Density shall be a minimum of 15 units per developable hectare.
- No more than 70% of dwelling units shall be Single Detached Dwellings
- Industrial Development
  - Existing development shall be encouraged to upgrade and enhance their properties.
  - New developments shall be developed to a high standard.
- Open Space Network
  - Protection and public access for Wolf Creek
  - Establishment of an active transportation network (eg trails and sidewalks) that connect the open spaces, residential neighbourhoods and commercial sites.

The previous amendments have not fully addressed the four adopted Outline Plans in this area, which are Iron Wolf Outline Plan, Mackenzie Ranch Outline Plan, Wolf Creek Crossing/Lacombe Market Square Outline Plan and the Metcalf Ridge Outline Plan. Details from these adopted plans have been added to this document and are most visible in the Future Land Use Map, which can be viewed in the attached draft of the Southeast Area Structure Plan. Some of these details include:

- Road Networks
- Key Trail Nodes
- Stormwater Management Facilities
- Environmental and Municipal Reserve areas.

In addition, the applicant is proposing the redevelopment and improvement of an existing industrial area located within the Plan. The lands in question are coloured blue in the following map.



The proposed redevelopment includes:

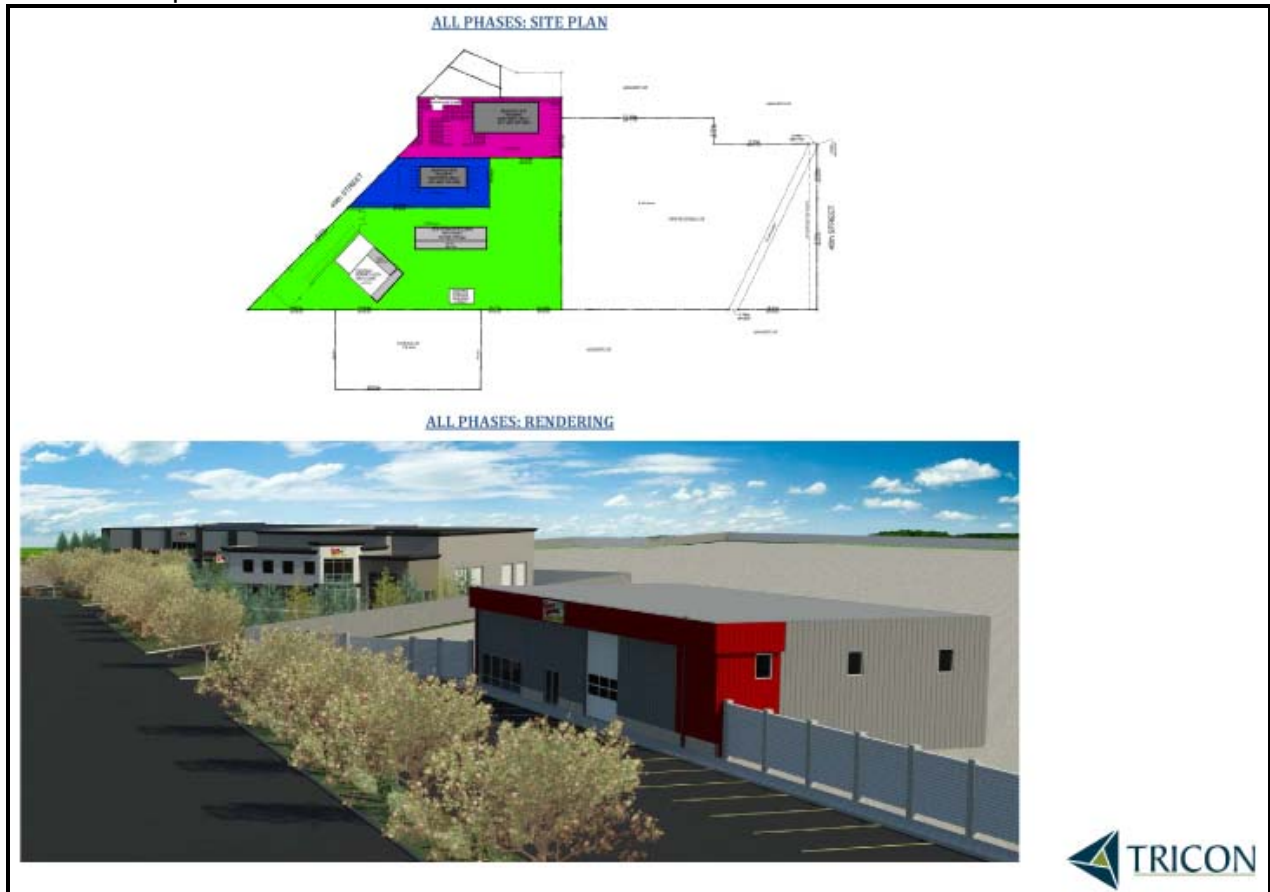
- Establishment of 3 separate businesses/operations on the lands which require





- consolidation and subdivision of the impacted lands;
- rezoning of some lands from Light Industrial (I1) to Heavy Industrial (I2) to allow for an existing non-conforming business to come into conformity and expand.
- Improvements to the existing business such as landscaping, fencing and building facade alterations.

A basic concept of this area can be viewed below:



The Plan currently recommends that the “existing” heavy industries relocate over time, leaving only light industrial uses in the plan area. This direction prevents existing developments/businesses from redeveloping or enhancing their properties. In order for the applicant to proceed with the proposed redevelopment, the Area Structure Plan must be amended to promote the redevelopment and enhancement of existing sites and allow for additional Heavy Industrial lots within the industrial area.

The amendments align with the Municipal Development Plan, which has set new standards for development in Lacombe such as residential densities and housing mix and the protection of Wolf Creek. In particular, the industrial land uses amendments will help ensure that this existing industrial site will be upgraded and enhanced and will continue to support our diverse tax base which has a goal of 30:70 non-residential to residential local property tax ratio. Administration supports the amendment of the Southeast Area Structure Plan as presented.



**NOTIFICATION TO EXTERNAL AGENCIES:**

A draft of the Southeast Area Structure Plan was circulated to external agencies, including Lacombe County for comment. No concerns were raised by the external agencies.

**PUBLIC CONSULTATION:**

An Open House was held on Wednesday, March 8, 2017 from 5 to 7 PM at Soapy's Carwash located on 46 Street. The Open House featured a draft of the Southeast Area Structure Plan, along with display boards highlighting the development concept for the proposed industrial site. Approximately 35-40 people attended the Open House and 5 exit surveys were completed.

The Open House was advertised for two weeks in the Lacombe Globe and was featured on the City's Facebook Page. Property owners (including those in Lacombe County) located within the Plan area and those located adjacent to the proposed site were sent invitations to the Open House.

The applicant has prepared a Public Consultation Summary Report that outlines the comments made in the exit survey submitted. The 5 surveys submitted specifically address the proposed development land and discuss the aesthetics of the site including fencing, landscaping, asphalt and the potential for improvements to the frontages of other local businesses. One submission stated their opposition to the continued operation of the existing business on its existing site and wishes the land to be used for strictly commercial uses. None of the comments made by the public have resulted in amendments to the draft Plan.

Landscaping, fencing and hardsurfacing requirements and standards are addressed in the City's Land Use Bylaw and will be implemented during the (re)development of any property within the City. In regards to concerns about industrial use in the area; industrial use has been the longstanding land use in this area of Lacombe, with land use districting supporting these uses through industrial zoning. While the proposed amendments will enable changes to the development site, the overall nature of the site will not change. All development must align with the City's Land Use Bylaw and all applicable industry standards which regulated their specific operations. The Report is attached for review.

Additional notification was provided to impacted property owners when the public hearing was set. Notice of the public hearing was published in the April 27, 2017 and May 4, 2017 editions of the Lacombe Express. Notification was also placed on the 'What's New' portion of the City's website. Notification letters were mailed on April 13, 2017 to all property owners located within the plan area and those located adjacent to the industrial.

**FINANCIAL IMPLICATIONS:**

The applicant paid the required fee which is used to cover the cost of postage and staff resources.

**LEGISLATIVE AUTHORITY:**

Municipal Government Act, RSA 2000, c. M-26

- Section 606 – Requirements for Advertising
- Section 633 – Area Structure Plan



- Section 636 – Statutory Plan Preparation

**SERVICE LEVEL IMPACT:**

- The processing of Area Structure Plan amendment applications is outlined in the Planning and Development Department’s Fee Schedule as a service provided to the public. Therefore, the work required for the preparation of this Area Structure Plan amendment is considered to be a required task for the planning staff.

**STRATEGIC/BUSINESS PLAN REFERENCE:**

**2014-2017 Strategic Plan**

- Land Resources and Acquisitions
- Economic Prosperity

**Municipal Sustainability Plan**

**Strategy Area – Our Economy: Work and Skills Training**

**Key Directions**

- Support and grow local businesses and jobs
- Ensure a stable and equitable municipal tax base

**Municipal Development Plan**

**Section 5 – Where We Work: Industrial Land Development**

- Objective A – To support the continued growth of diverse industrial opportunities, striving for a 30:70 non-residential to residential local property tax ratio.
- Objective C – To upgrade and enhance existing industrial developments to ensure that they are complimentary to their surroundings in accordance with the LUB

**ALTERNATIVES:**

1. Council directs administration to undertake revisions to the draft plan.
2. Council gives 2<sup>nd</sup> & 3<sup>rd</sup> Reading to Bylaw 263.05.

**ATTACHMENTS:**

- Draft Southeast Area Structure Plan Amendment showing proposed changes (for information)
- Bylaw 263.05

**ACTION/RECOMMENDATION:**

THAT Council give 2<sup>nd</sup> and 3<sup>rd</sup> Readings to Bylaw 263.05.





## CITY COUNCIL AGENDA REPORT

<b>SUBJECT:</b>	<b>Bylaw 223.15, an Amendment to the Traffic Bylaw to consider road closures</b>
<b>PREPARED BY:</b>	<b>Lyla Peter, Acting Director of Operations and Planning</b>
<b>PRESENTED BY:</b>	<b>Michael Minchin, Corporate Services Director</b>
<b>DATE:</b>	<b>May 8, 2017</b>

### PURPOSE:

To provide provisions to allow for road closures within the City of Lacombe, specifically in relation to temporary closures per Section 13 (1) of the Traffic Safety Act.

### BACKGROUND:

Administration has prepared this amending bylaw to enable temporary road closures to be determined by the Chief Administrative Officer. Permanent road closures still require closure by bylaw, which includes three readings approved by Council.

The Traffic Safety Act, under section 13 (1) identifies that municipalities may make provision to temporarily close or restrict the use of highways and roads through the issuance of licenses or permits:

#### **General powers of municipality**

**13(1)** Subject to this Act and the *Dangerous Goods Transportation and Handling Act*, the council of a municipality may, with respect to a highway under its direction, control and management, make bylaws that are not inconsistent with this Act, doing the following:

...

- (n) governing closing or restricting the use of a highway;
- (o) authorizing the municipality to issue a licence or permit that is terminable on 30 days' notice in writing for the temporary occupation or use of a road allowance or highway or a portion of a road allowance or highway when it is not required for public use;

...

The City of Lacombe's Traffic Bylaw 223 already makes provision for many of the other items covered under the Traffic Safety Act. However there is no bylaw currently that considers

temporary road closures for events, parades or entering into licenses for occupation of the road/sidewalk area.

**ISSUE ANALYSIS:**

Currently there are a number of businesses which occupy portions of the City's road allowances. The City is prepared to enter into agreements with these businesses to allow the occupation of the land. The agreements will provide a measure of insurance to the City. However, to enable the licenses, the City must identify, through a bylaw, a process for temporarily closing a road or sidewalk.

The changes proposed in Bylaw 223.15 will allow the Chief Administrative Officer to sign off on temporary closures which are also accompanied by a license or permit. Administration will prepare License to Occupy (LT) agreements with affected parties. The entering into a LTO indicates a temporary road closure is in effect. The LTO provides the various terms for maintaining and terminating the agreement.

The City has also updated two reference, (1) Definition of Land Use Bylaw is now referenced to Bylaw 400 (2) Lacombe Ice Complex is now referred to as the Gary Moe Auto Group Sportsplex.

**FINANCIAL IMPLICATIONS:**

The updating of bylaws is considered a normal operating expense for the City.

**LEGISLATIVE AUTHORITY:**

- Traffic Safety Act, RSA 2000, c T-6

**SERVICE LEVEL IMPACT:**

- Administration time to prepare and enter into Licenses to Occupy permits for license closure requests.

**STRATEGIC/BUSINESS PLAN REFERENCE:**

n/a

**ALTERNATIVES:**

1. As the Bylaw is being brought forward for first reading, no alternatives are proposed.

**ATTACHMENTS:**

- City of Lacombe Bylaw 223.15, A bylaw to amend the City's Traffic Bylaw
- A draft copy of Bylaw 223, with the proposed changes highlighted in red, for information

**ACTION/RECOMMENDATION:**

THAT Council give first reading to Bylaw 223.15 as presented



## CITY COUNCIL AGENDA REPORT

<b>SUBJECT:</b>	MUNICIPAL GRANT STACKING GUIDELINES
<b>PREPARED BY:</b>	BRENDA VAUGHAN, COMMUNITY SERVICES DIRECTOR
<b>PRESENTED BY:</b>	BRENDA VAUGHAN, COMMUNITY SERVICES DIRECTOR
<b>DATE:</b>	MAY 8, 2017

### **PURPOSE:**

Council directed administration to explore the practice of grant stacking relative to the assessment of eligibility for various City of Lacombe Municipal Grant programs. Secondly, Council requested that Administration provide an opinion as to the ownership of ECHO funds. The information is presented for Councils consideration and direction.

### **BACKGROUND:**

Grant stacking is defined as the use of grant funds from the same organization or granting body in order to meet applicant investment level requirements for different grant programs. It is also defined as applying to multiple grant programs from the same source for one initiative. It is common to prohibit grant stacking in the interest of assuring that the applicant organization has both the commitment and durability to carry out the funded initiative. This provision also enhances the amount of funds leveraged as the result of shared contributions from multiple sectors.

### City Grant Programs

City of Lacombe staff provides limited direct programming services, with the exception of aquatics and culture. Instead, the City collaborates with existing community groups to augment their individual services in order to meet changing demands expressed by the community. This strategy is viewed to be effective as it provides a more efficient and nimble response to changing community needs, fosters citizen engagement, a vibrant volunteer corps and not for profit sector. Overall, the community is strengthened through strong stewardship of tax revenues funds used to leverage other sources of funding (Provincial or federal government grants, donated or private sector funds). This is consistent with recommendations stemming from the Recreation and Culture Master Plan (Section 5.5)

In recent years City of Lacombe Council has established a number of funds for various purposes.

- Recreation and Culture Grant
- Facility Rental Financial Assistance Grant
- Community Builder Partnership Grant
- Arts Endowment Grant
- ECHO Community Grant
- FCSS External Grant funds
- Business Partnership Grant
- Business Storefront Grant
- ECHO Energy Grant

#### Current Practice

1. Administration informally monitors for duplication of grant purpose, erring on the side of keeping grant programs distinct, separate and non redundant.
2. City Council provides a number of **operational** grants to several community groups. These groups may and do apply to various grant programs. In these cases, municipal operational funds would be disqualified as matching funds needed to access additional grant funds.
3. Grant funds are managed by volunteer boards and committees of Council.
4. The Community Builder Grant (capital only) is the only grant that expressly disallows stacking of municipal funds or grants.
5. Funding deficit operational budgets is not considered.

#### **ISSUE ANALYSIS:**

##### Grant Stacking

The purpose of the discussion is to fully clarify a rationale and preferred practice when allocating COL municipal funds through multiple grant programs. As the number of grant programs opportunities increase so does the opportunity for potential operational hitches to emerge. The need to clarify eligibility requirements is timely.

Administration recommends that grant stacking be disallowed. It is recommended that the practice be formalized by adding this requirement to all grant eligibility guidelines. This remains consistent with the central goal which is to use municipal contributions to broker additional investments into the community.





Policies in six Alberta municipalities that offer similar grant programs were reviewed. Use of municipal funds for matching contributions required to access other municipal grant programs is prohibited. This requirement is found in both capital and operational grant programs. This practice is evident in most provincial and federal grant programs as well.

Adoption of this practice may result in groups having to choose one grant program over another. City Administration would support and encourage applicants to pursue the most advantageous route.

### ECHO Funds

Council requested clarification as to whether ECHO Lacombe funds are City of Lacombe municipal funds.

Administration holds the view that ECHO Funds are considered City of Lacombe Funds. This is based on the following:

1. The existing Retail Services Provider Agreement is between UtilityNet and City of Lacombe(COL)
2. COL is the named guarantor in this agreement and as such, has provided a \$25,000.00 prudential (determined by AESO and Fortis). This amount is subject to increase based on the increasing risk associated with a higher number of account holders.
3. ECHO funds derived through utility revenues are paid to COL
4. COL forwards the funds to the ECHO Committee for oversight and management

### **FINANCIAL IMPLICATIONS:**

Permitting a practice of staking COL grants will reduce the overall leveraging of other funds. Operating initiatives based on funds from several same source grants dilutes full transparency of use of municipal funds.

### **LEGISLATIVE AUTHORITY:**

#### **MGA Part 1: Purposes, Powers and Capacity of Municipalities**

##### **Municipal purposes**

- (3) The purposes of a municipality are
- to provide good government,
  - to provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality, and
  - to develop and maintain safe and viable communities.



**SERVICE LEVEL IMPACT:**

- Service levels will be clarified
- Cautious use of temporary grant funds provides municipal capacity to respond to changing community desires for services.
- A broad scope of additional programs can be provided when clearly stated grant eligibility requirements aimed at different outcomes are provided.

**STRATEGIC/BUSINESS PLAN REFERENCE:**

N/A

**ALTERNATIVES:**

1. THAT Council accept this report as information AND Direct Administration as to how they wish to proceed
2. THAT Council accept this report as information
3. THAT Council Direct Administration as to how they wish to proceed

**ATTACHMENTS:**

N/A

**ACTION/RECOMMENDATION:**

THAT Council agrees that stacking of municipal grants for the same Initiative be disallowed and directs that administration add this requirement to all City of Lacombe grant guidelines.





## CITY COUNCIL AGENDA REPORT

<b>SUBJECT:</b>	<b>2017 Operating Budget Update &amp; 2016 Surplus Allocation.</b>
<b>PREPARED BY:</b>	<b>Michael Minchin, Corporate Services Director</b>
<b>PRESENTED BY:</b>	<b>Michael Minchin, Corporate Services Director</b>
<b>DATE:</b>	<b>May 8, 2017</b>

### **PURPOSE:**

To provide Council with an update on changes affecting the 2017 Operating Budget; to recommend a final tax rate increase for 2017; and to approve allocation of a portion of the 2016 surplus to fund 2017 operations.

### **BACKGROUND:**

City Council approved the 2017 Operating Budget at its regular meeting on December 12, 2016. In accordance with Council's Annual Budget and Taxation Preparation Policy, Administration must bring forth any budget estimate changes to Council prior to the adoption of the annual tax rate bylaw.

Administration has limited the updates to the known changes in assumptions and external funding requests. Administration has identified these issues and put forth recommendations. Administration has assembled a draft document recognizing the tax increase of 3.26% previously approved by Council.

### **ISSUE ANALYSIS:**

The proposed changes to the operating budget are highlighted in the attached "Spring Budget Amendment" Report. The budget amendment includes the following changes:

1. Reduction in estimate for tax revenue due to lower than anticipated net assessment growth.
2. Increase in expenditures for school and lodge requisitions. These requisitions are offset by higher school and lodge tax levies.
3. Carryover funding and expenditures related to the 2016 projects; Michener Park sign and the Lagoon Desludging.
4. Higher electrical and natural gas costs including higher costs related to the operation of the new Lacombe Police Station. A letter from the Lacombe Police Commission is included.
5. Leasing of the former Provincial Building is including as well as offsetting operating costs associated with the lease.

6. Adjustments to the MSI Operating Grant program including the deferral of the building study for the former police station.
7. Increase in the Lacombe Regional Solid Waste requisition to account for new population figures.
8. Adjustment to Lacombe County Grants to reflect actual billings for 2017.
9. Funding for CAEP membership
10. Reductions in training budgets.
11. Identified travel portion of grant payable to Rikubetsu Friendship Society for Council discussion.
12. Allocation of the non utility and non-police based surplus from 2016 towards 2017 operations.

These adjustment maintain the original tax increase of 3.26%

**FINANCIAL IMPLICATIONS:**

The attached summary shows the implications of the changes in budget estimates.

**LEGISLATIVE AUTHORITY:**

- City of Lacombe’s Annual Budget and Taxation Preparation Policy
- As per Section 242 of the Municipal Government Act *“Each Council must adopt an operating budget for each calendar year”*

**SERVICE LEVEL IMPACT:**

- The recommendations put forth in the memo will maintain the service levels approved in the 2017 operating budget.

**STRATEGIC/BUSINESS PLAN REFERENCE:**

n/a

**ALTERNATIVES:**

1. Council can accept the proposed budget amendment as presented.
2. Council can direct administration to make further changes. The impact to the tax increase and the budget itself would depend on the changes proposed by Council.



**ATTACHMENTS:**

- 2017 Spring Budget Amendment - Draft
- [City of Lacombe's Annual Budget and Taxation Preparation Policy](#)
- Lacombe Police Commission Correspondence

**ACTION/RECOMMENDATION:**

THAT Council approve the amendments to the 2017 operating budget as presented including allocation of \$27,508 from the 2016 operating surplus and that Council approve a tax rate increase of 3.26%





## CITY COUNCIL AGENDA REPORT

<b>SUBJECT:</b>	<b>Tax Exemption Request – Lacombe Legion</b>
<b>PREPARED BY:</b>	<b>Michael Minchin, Corporate Services Director</b>
<b>PRESENTED BY:</b>	<b>Michael Minchin, Corporate Services Director</b>
<b>DATE:</b>	<b>May 8, 2017</b>

### **PURPOSE:**

To present for Council's consideration a request from the Royal Canadian Legion, Lacombe Branch #79 for a tax exemption for its property at 5138 49<sup>th</sup> Street.

### **BACKGROUND:**

The City has received a request from the Royal Canadian Legion, Lacombe Branch #79 for an expansion of tax exempt status for its property at 5138 49<sup>th</sup> Street.

The Royal Canadian Legion, Lacombe Branch #79, owns a building and parking lot on two parcels of land at the corner of 49<sup>th</sup> Street and 52 Avenue. In accordance with section 363 of the Municipal Government Act, Legion buildings are exempt from taxation. The 2016 assessment for the property identified a portion of the building, approximately 80%, as exempt. The remaining portion of the building as well the adjacent parking was deemed taxable. The Legion Branch has sought to have the parking lot and where possible the remaining portion of the property as tax exempt.

After discussions with the assessor, the Legion was able to have its parking lot full exempted for the 2017 tax year. This exemption requires no further action from Council. The remaining 20% of the building remains taxable.

### **ISSUE ANALYSIS:**

Sections 362 to 365 of the Municipal Government Act cover the legislation governing tax exemptions for properties. Unfortunately, this is a complex and often confusing part of the Act. Although, Legions in general are tax exempt under section 363, areas that are designated a licensed premise cannot be exempted via statute or regulation by the assessor or by municipal bylaw by Council.

Council could entertain an annual tax cancellation. However, the remaining properties in Lacombe would be responsible for the school portion of cancellation.

Based on this review, Administration is recommending that no further tax consideration be considered for the property.

**FINANCIAL IMPLICATIONS:**

A complete tax cancellation would cost the City approximately \$1600 to \$1700 annually.

**LEGISLATIVE AUTHORITY:**

- Legion Exemptions - Clause 363(1)(c) of the Municipal Government Act – RSA 2000, c-M26.
- Tax Exempt Bylaw - Section 364 of the Municipal Government Act – RSA 2000, c-M26
- Licensed Premises - Subsection 365(1) of the Municipal Government Act – RSA 2000, c-M26.
- Tax Cancellation - Subsection 347(1) of the Municipal Government Act – RSA 2000, c-M26.

**SERVICE LEVEL IMPACT:**

- No impact on services

**STRATEGIC/BUSINESS PLAN REFERENCE:**

N/a

**ALTERNATIVES:**

1. Council can decide to take no further action based on the fact the parking lot is now tax exempt. Administration's recommendation.
2. Council could decide to provide a one year tax cancellation. These may be granted on an annual basis only.

**ATTACHMENTS:**

- Legion correspondence, dated September 25, 2016.

**ACTION/RECOMMENDATION:**

THAT Council receive correspondence from the Royal Canadian Legion, Lacombe Branch #79, dated September 25, 2016 as information.





## CITY COUNCIL AGENDA REPORT

<b>SUBJECT:</b>	<b>2017 Property Tax Cancellation Request</b>
<b>PREPARED BY:</b>	<b>Michael Minchin, Corporate Services Director</b>
<b>PRESENTED BY:</b>	<b>Michael Minchin, Corporate Services Director</b>
<b>DATE:</b>	<b>April 27, 2017</b>

### **PURPOSE:**

To present for Council's consideration a request for tax cancellation. On March 13, 2016, a single family residence was damaged beyond repair by fire. The owner is seeking a partial cancellation of the 2017 property taxes for the property.

### **BACKGROUND:**

On March 13, 2016, a single family residence was damaged beyond repair by fire. City Council approved the cancellation of a portion of the 2016 property taxes in the amount of \$1,430.34. This cancellation covered the taxes from the date of loss to the end of the year. This approval was consistent with past practices.

The City received a request on January 30, 2017 from the owner of the home seeking further tax relief; this time the request was related to the 2017 tax year.

The civic address for the property is 70 Valley Cr.

### **ISSUE ANALYSIS:**

The intent of the previous cancellation approval was to recognize an involuntary loss of a property after the December 31<sup>st</sup> deadline for assessments preparations. Council, in the past, has only approved a cancellation in the year of loss recognizing that the property owner has the opportunity to have his property reassessed in the New Year.

In this case, repairs to the property were not completed until the end of March 2017, according to the building permit for the property. In discussions with the assessor, an update to the assessment has not yet occurred as they will do a final inspection as part of the Supplementary Assessment in the fall. The difference between the current assessment and



additions and improvements made as a result of the fire loss will be taxed on a prorated basis in the fall.

This mechanism eliminates the need for the City to extend the cancellation beyond the original 2016 tax year.

**FINANCIAL IMPLICATIONS:**

The cost of the cancellation of the property taxes for the municipal, school and foundation would be borne solely by the City. The tax cancellation figures below are based on the 2017 property assessments for the improvements (building) only. The tax cancellation is calculated for 90 days times the taxable assessment for the improvement only.

For the affected property, the proposed tax cancellation would be \$434.

**LEGISLATIVE AUTHORITY:**

Section 347 of the Municipal Government Act, RSA 2000, c M-26 provides the legislative authority for Council to approve cancellation of taxes.

**STRATEGIC/BUSINESS PLAN REFERENCE:**

n/a

**SERVICE LEVEL IMPACT:**

n/a

**ALTERNATIVES:**

- Approve the cancellation of property tax for 2017 in the amount of \$434.
- Deny the tax cancellation of \$434 as recommended.

**ATTACHMENTS:**

- Correspondence, January 30, 2017

**ACTION/RECOMMENDATION:**

That Council deny the cancellation of property tax for 70 Valley Cr in the amount of \$434.00.

