

# **“Providing Quality of Life to the residents of the Town of Bruderheim and ensuring great value for your tax dollar!”**

Town administration is committed to providing “quality of life” to the residents of Bruderheim. It is our commitment and our job. Your Town Council has directed administration to maintain services, and challenged administration to improve our services to you. It is important to provide information on how we spend your hard earned tax dollars to provide essential services.

## **How do we arrive at your taxes?**

The Budget process develops the cost of all services provided to the residents of Bruderheim. Your Town Council reviews all services and directs administration as to the levels of service that are adequate to ensure residents are well served. The total tax dollars required are then divided by the total property values in Bruderheim to determine the “tax rate”. This rate is applied to all assessed values to determine taxes payable. The main increase in taxes typically is due to inflation on the services provided. For Alberta Municipalities, the last 5 years has seen double digit inflation making it challenging to provide services at a low cost.

Example:

Assessed Value x Tax Rate = Taxes Payable

$\$300,000 \times 7.3747 = \$2,212.41$

**The costs of the services residents want and enjoy determine the taxes required!**

## **Assessment – how does it work?**

Assessment (market value) of your home determines taxes payable. Your taxes payable is dependent on how your home compares to the “average” home in Bruderheim. (e.g.) \$300,000. If your house value is higher than the average, you pay more tax. If the value is less than the average, you pay less taxes.

One misconception about taxes is the belief that when a homes market values go down, taxes will go down. They do not for 2 reasons:

1. The revenue requirement to provide the mandated services does not decrease
2. The “average” home price has decreased, making the change relative for all residents

Imagine if taxes went up with market value! The last 5 years would have seen taxes triple. The “comparison to average” ensures taxes stay consistent and reasonable.

**Market value compared to the average ensures a consistent tax bill year to year and fairness among taxpayers!**

## **My Tax Bill Explained**

When you pay your tax bill only a portion of it goes to the municipality (approx 74%). There are three tax rates on your tax bill.

**Municipal Operating** – Used to generate the revenue required to pay for the many valued services provided to residents.

**Education Requisition** – Used to generate the revenue required by the Province to run schools in the region.

**Lamont Seniors** – Used to generate the revenue required to support the Lamont Seniors Foundation to subsidize seniors lodging.

Example:			
Assessed Value	\$300,000		
	<b>Mill Rate</b>	<b>Taxes Payable</b>	<b>% of Tax Bill</b>
Municipal Operating	7.3747	2,212.41	74%
Provincial Education	2.3178	695.34	23%
Lamont Seniors	0.297	89.10	3%
Total Taxes		2,996.85	100%

**Your taxes paid are not all for the Town!**

## **Total Household Taxes**

Three levels of government tax residents - Federal, Provincial and Municipal. Federal and Provincial governments have many sources of taxation such as Income Tax, GST, Oil Royalties, and Liquor and Tobacco Taxes. Municipalities only have property taxes to generate revenue. Only **5%** of all taxes generated go to municipalities, yet municipalities provide the most direct services used by residents everyday! Road maintenance, snow clearing, grass cutting, and fire services are a few of the key services provided.

Approximate Taxes Paid Per Household:

Federal 65%

Provincial 35%

Municipal 5%

**Municipalities get the least amount of the tax revenue pie, yet they provide the services that are used by people everyday!**

## How do our tax rates compare?

Bruderheim has the lowest taxes in the Lamont County region! Compared to Fort Saskatchewan and Strathcona County, we appear to have high taxes but homes cost far more in those municipalities. They also have significant industrial and commercial revenues to subsidize residential taxes.

2010 mill rates and a \$300,000 example home:

Town	House Assessment	Mill Rate	Total Municipal Taxes	Per Month Cost
Bruderheim	300,000	7.3747	\$2,212.41	\$184.37
Lamont	300,000	8.8850	\$2,665.50	\$222.13
Chipman	300,000	11.9000	\$3,570.00	\$297.50
Andrew	300,000	12.1075	\$3,632.25	\$302.69
Vegreville	300,000	9.3439	\$2,803.17	\$233.60
Fort Saskatchewan	300,000	3.7915	\$1,137.45	\$94.79
Strathcona County	300,000	4.1964	\$1,258.92	\$104.91

\*\*A \$300,000 property in Bruderheim represents a house, whereas in Strathcona County it is likely a condo or far smaller home.

**Bruderheim Residents enjoy the lowest taxes in the region for Towns, and receive what many consider the highest level of service in the region!**

## How Do our Business Taxes compare?

Again, Bruderheim has the lowest taxes in the region compared to Towns its size. The practice of many municipalities is to employ a high “split” mill rate which means businesses typically pay more. As a great supporter of our local businesses, Bruderheim does not do this.

### Example

Town	Business Assessment	Non Residential Mill Rate	Total Municipal Taxes	Per Month Cost
Bruderheim	300,000	7.3747	\$2,212.41	\$184.37
Lamont	300,000	12.4390	\$3,731.70	\$310.97
Chipman	300,000	17.5500	\$5,265.00	\$438.75
Andrew	300,000	10.6419	\$3,192.57	\$266.05
Vegreville	300,000	23.6419	\$7,092.57	\$591.05
Fort Saskatchewan	300,000	7.0541	\$2,116.23	\$176.35
Strathcona County	300,000	7.7748	\$2,332.44	\$194.37

**Lowest Business taxes in the region for towns!**

## Tax Penalties

Under the Municipal Government Act, municipalities are required to levy a penalty for late tax payments. Ours is 18% which is typical for municipalities. Many of the services provided by Bruderheim are legislated by the province, meaning we have no choice but to provide the services. If tax revenues are not received in a timely fashion, our municipality's ability to pay for essential services such as fire response and snow clearing is at risk.

Over 90% of Bruderheim residents have historically paid their taxes on time. Unfortunately, those residents' tax dollars go towards subsidizing the 10% of the taxes that are unpaid. Thus a high penalty is levied to ensure prompt payment and lower the burden on residents who have paid on time. This also ensures the municipality will have the financial resources on time to provide the services required and enjoyed by residents.

Administrations financial review this year found \$260,000 in unpaid taxes to the Town. The Town is actively working towards collecting those taxes. We want to collect these funds to ensure the majority of residents who pay on time are not subsidizing services due to unpaid taxes.

Unfortunately, a municipality must levy high penalties or risk the financial sustainability of the Town and risk the investment in services by the vast majority of residents.

### **“Providing Quality of Life”**

It is the Town administration mandate to provide quality of life to the residents of Bruderheim. People often ask what this means and what do we get for our taxes? A comprehensive list is attached but it is good for residents to know that not one day goes by without getting value for your tax dollar. A few examples:

Every day you,

- Have access to a road that has had repairs
- Are protected from fire
- Have police to protect your property
- Can utilize the trail system
- Enjoy the cut grass and weed control
- Can access family programs and attend community events
- Have snow cleared when required
- Have bylaws enforced
- Can go for a skate on the outdoor rink
- Can use the skate park
- Watch your kids play on a soccer field, baseball diamond, or hockey in the arena
- Can access seniors programs such as senior walking in the hall

**These are just a few examples of your tax dollars at work for you every day in you community!**

## What do Residents get for their tax dollar?

### Monthly cost

1. Fire, Disaster and Policing	\$17.01
2. Roads and Sidewalks	\$59.72
3. Planning Services	\$11.26
4. Community Social Programs	\$ 7.52
5. Economic Development and Tourism`	\$ 3.05
6. Parks and Green space Maintenance	\$36.45
7. Community Facilities	\$21.60
8. Bylaw	\$ .69
9. Recreation Services	\$ 5.63
10. Legislative Services	\$16.68
11. Library	<u>\$ 4.76</u>
Total	\$184.37

\* Not an all inclusive list but these are the key services.

Fire, Disaster, Policing Services	Roads and Sidewalks	Planning Services	Community Social Programs	Economic Development & Tourism
<p>Includes:</p> <ul style="list-style-type: none"> <li>• Part time full service fire department</li> <li>• Urban response within 10 minutes</li> <li>• Full daytime Coverage</li> <li>• Fire Prevention and Investigation</li> <li>• Cover 180 square miles of rural area</li> <li>• Disaster planning, emergency preparedness</li> <li>• Industrial emergency response plan review</li> <li>• Liaison with RCMP</li> </ul>	<p>Includes:</p> <ul style="list-style-type: none"> <li>• Major road maintenance – overlays</li> <li>• Crack repairs</li> <li>• Pothole repair, dust suppression</li> <li>• Street sweeping</li> <li>• Sign placement and repair</li> <li>• Planning for new roads and sidewalks</li> <li>• Traffic Signal repair and planning</li> <li>• Crosswalk safety monitoring</li> <li>• Snow removal and ice control</li> <li>• Alley and gravel road grading</li> </ul>	<p>Includes:</p> <ul style="list-style-type: none"> <li>• Development permits</li> <li>• Subdivision and rezoning applications</li> <li>• Permits for new residential units</li> <li>• Zoning and planning policies</li> <li>• Coordination of sustainable community initiatives</li> <li>• Water, sewer and road planning for new growth</li> <li>• Long term capital planning to maintain town infrastructure assets</li> </ul>	<p>Includes:</p> <ul style="list-style-type: none"> <li>• Family and individual counseling</li> <li>• Teen program</li> <li>• Adult learning</li> <li>• Moms and tots program</li> <li>• Volunteer appreciation</li> <li>• Family day events</li> <li>• Town Newsletter</li> </ul>	<p>Includes:</p> <ul style="list-style-type: none"> <li>• Attraction programs – tax free for three</li> <li>• Town wide garage sale</li> <li>• Branding and signage</li> <li>• Promotional Adds</li> <li>• Town craft sale</li> <li>• Website development and hosting</li> <li>• Tradeshow, brochures, promotional items</li> <li>• Community guide</li> </ul>
Cost per month: \$17.01	Cost per month: \$59.72	Cost per month: \$11.26	Cost per month: \$7.52	Cost per month: \$3.04

Based on an average residential property	Based on an average residential property	Based on an average residential property	Based on an average residential property	Based on an average residential property
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Parks and Greenspace Maintenance	Community Facilities	Recreation Services	Legislative Services	Library
<p>Includes:</p> <ul style="list-style-type: none"> <li>• Field and Boulevard grass cutting</li> <li>• Weed control and inspection</li> <li>• Tree planting and care</li> <li>• Tree and Flower watering</li> <li>• Communities in bloom program support</li> <li>• Trail system maintenance</li> </ul>	<p>Includes:</p> <ul style="list-style-type: none"> <li>• Full service hockey arena</li> <li>• Ice making and maintenance</li> <li>• Community hall</li> <li>• Town meeting room</li> <li>• Soccer field</li> <li>• Baseball diamonds</li> <li>• Outdoor ice rink</li> <li>• Skateboard park</li> </ul>	<p>Includes:</p> <ul style="list-style-type: none"> <li>• Subsidies and support for hockey, t- ball</li> <li>• Summer floor hockey and spin-line hockey</li> <li>• Canada Day Event</li> <li>• Aikido Support</li> <li>• Fireworks events</li> <li>• Ag Day support</li> <li>• Town wide garage sale</li> <li>• Family rec events</li> </ul>	<p>Includes:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Council meetings secretariat</li> <li>• Elected Officials Budget</li> <li>• Freedom of Information expertise</li> <li>• Records Management</li> <li>• Election Planning</li> <li>• Municipal Government Act</li> <li>• Boards and Committees</li> </ul>	<p>Includes:</p> <ul style="list-style-type: none"> <li>• Accessible Reading Material</li> <li>• Education Opportunities</li> </ul>
Cost per month: \$38.21	Cost per month: \$22.64	Cost per month: \$5.90	Cost per month: \$17.48	Cost per month: \$4.99
Based on an average residential property	Based on an average residential property	Based on an average residential property	Based on an average residential property	Based on an average residential property

Bylaw
<p>Includes:</p> <ul style="list-style-type: none"> <li>• Dog Control</li> <li>• Unsightly Premises Control</li> <li>• Parking Control</li> <li>• Traffic and Speeding Control</li> <li>• Bylaw Research</li> </ul>
Cost per month: \$.69

Based on an average  
residential property

## **The Past Year at Work**

Your tax dollars were put to good use over the last year to provide great value. A few examples:

- Operating cost for a new outdoor ice rink!
- Re-branding to add to community spirit and attract new businesses and residents to the Town!
- An increase in gopher control!
- Soccer field and baseball diamond maintenance so the community can enjoy them again!
- Signage to allow better communication for residents
- Fire department fought the largest fire in the region in over 20 years!
- Large pothole filling in Westwoodlands
- Increased snow clearing efforts – the complete Town cleared in three days!
- A new website that will be launched in a month!
- Arena ice plant maintenance and painting program
- Community hall washroom replacement
- Increased grass cutting and weed control efforts
- Planning for a new firehall
- Street sweeping level increased
- Numerous community events – Canada Day, Volunteer Appreciation, Family Day, Ag Day support

This list is a very short list of the many services provided for your tax dollar. Your administration is committed to following the Town Councils' direction to ensure the continual provision of great services and high value for your tax dollar. The lowest taxes in the region!

This Wednesday, July 7 we will be holding the Council meeting at the Walker School at 7:00pm to discuss the tax value and penalties with our valued residents. The Town welcomes this opportunity to hear resident concerns, and to work together to ensure we are providing the best value we can for the investment you make in you community through your property taxes!

If you have any questions on any of the above information please call Tim Duhamel at the Town office (780-796-3731)

I truly hope you have found this report informative and welcome any questions.

Sincerely,  
Tim Duhamel

CAO  
Town of Bruderheim