



Town of Crossfield Citizen Update

Budget and Taxes Special Edition

www.crossfieldalberta.com



Residential Mill Rate up 0.64% *With Inflation, Average Municipal Taxes will go up 1.5%*

The residential tax rate in Crossfield is going up by 0.64%.

When combined with 2015's average increase in residential property values of 0.85%, this means a typical Crossfield home will see their municipal taxes rise by 1.5% versus 2015.

A Crossfield home assessed at \$400,000 will pay \$1,945.75 in municipal taxes this year—up about \$29 from 2015.

In 2015 Crossfield Town Council passed their "Fiscal Responsibility Bylaw" which requires the Town to factor in both inflation and the change in the tax rate to ensure that a typical property has a tax increase that is no more than the previous year's rate of inflation.

In 2015 the rate of inflation in Alberta was 1.5% according to Statistics Canada.

The Town is also making the tax bills more transparent:

this year the smaller levies for services such as fire, law enforcement, fire and libraries now reflect the true cost of the service.

For example, in 2016 the estimated net cost of fire protection is \$106,641, so the "Fire Department" levy was set to raise exactly \$106,641.

On a \$400,000 home the Fire Levy amounts to \$80.84 for the year, so fire protection costs about 22 cents a day.

Some of the smaller levies went up quite a bit in percentage terms but the main "Municipal Operations" levy was adjusted downward to ensure that the combined total of all municipal taxes was limited to a 0.64% overall increase in the mill rate.

On the non-residential side, the same policies of ratepayer protections apply, and the mill rate was set so that, on average, the 2016 municipal

portion of taxes will be 1.5% higher than in 2015.

The Non-Residential mill rate was increased 1.65% to 6.5524, but because the average of all of the Town's non-residential property

assessments dropped by 0.15%, the combination of the two is that the average non-residential tax bill will also increase by 1.5% - identical to residential increase and the same as the rate of inflation.

School Taxes going up by 7.7% *Extra \$71 on a \$400,000 home*

A 6.8% increase in the tax rate charged by the Province for schools, combined with a 0.85% increase in average property values in Crossfield, means the typical home in Crossfield will see a 7.7% increase in the Provincial school tax in 2016.

For a home assessed at \$400,000, this is an increase in the school tax of about \$71.

Combined with the 1.5% average increase in Municipal taxes, a \$400,000 home in Crossfield will see an average increase in the total tax bill of about \$100.

Town adopts more stringent accounting rules

A small change, with big implications, has been made to the way the Town of Crossfield does its books.

The change involves the Town adopting "Tangible Capital Asset" accounting (sometimes called "true cost accounting") as the basis for its budgeting.

Most municipalities in Alberta budget on a "cash position basis", which, at its most basic level, is simply "money in versus money out".

By this old standard the Town is doing very well. In 2016, the Town is budgeting to pay off \$393 thousand dollars in debt and also divert \$852 thousand dollars from the operating budget towards capital projects and reserves for a "cash position" operating surplus of \$1.245 million dollars.

The old way of doing the books did not, however, take into account that the Town's

infrastructure such as streets, vehicles, sewers, and buildings get old and wear out.

The new "TCA" accounting assigns a cash value to infrastructure wearing out based upon the expected lifespan of the Town's assets.

In 2016 the Town's assets will wear out or "amortize" by \$1.311 million dollars, for a "TCA" deficit of about \$65,000.

"TCA" is the strictest available municipal accounting standard, and very few of the smaller municipalities in Alberta use it to budget.

Of the 20 municipalities in Alberta closest to Crossfield in population in 2014 (the last year province wide data is available), not a single one ran a TCA surplus

The Town projects a "TCA" surplus of about \$350,000 in the 2017 budget year reflecting the recent strong growth in Town.

2016 Town of Crossfield Budget Summary

Revenues and Operating Expenses:

Net Tax Revenue:	2,867,004	
Operational Revenue:	3,343,807	
Total Revenues		6,210,811
Operational Expenditures:	4,814,387	
Debt Servicing:	544,104	
Total Cash Outlays:		5,358,491
Gross Surplus (Cash basis)		852,319

Allocation of Operating Surplus:

Reserve Contributions:	577,960	
Contributions to current year capital budget:	274,359	
Total to Reserves and Capital:		852,319
Total Budget Allocations:		6,210,811

Surplus on a Cash Position & Amortized Basis:

Cash Flow Surplus:	852,319	
Debt Principal Repayment:	392,731	
Gross Surplus on a cash position basis:		1,245,051
Less Estimated Amortization:	1,310,527	
True Cost Accounting (TCA) Surplus (Deficit)		-65,476



How are my property taxes determined?

Your property taxes are based on three factors.

Property Assessment:

First, the “assessed value” of your property is determined:

In Alberta the standard is “market value assessment” where your assessment should very closely approximate what your property might reasonably sell for on the open market in an “arms length” transaction between a willing buyer and a willing seller.

This assessment is done by a provincially accredited independent assessor, *The Town's Administration and Council do not have the legal authority to change this assessment.*

Market value assessments are done using mass appraisal techniques, which determine property values by grouping similar properties as of a specific date.

Your 2016 assessment is an estimate of a property's market value as of July 1, 2015 and reflects the characteristics and physical condition of the improvements on December 31, 2015.

Your assessment does not reflect a single sale price, but groups together all similar properties to try to get an overall view of the typical market value for similar homes.

Setting the “Mill Rate”:

The next step of the process is Town Council setting the “Mill Rate” which is simply the percentage of the assessed value of

your property that will be levied in taxes.

The “mill rate” is usually expressed as the taxes levied per \$1,000 of property value. For example a mill rate of 5.00 means you would pay \$5.00 in taxes for every \$1,000 your property is worth.

Province sets School Taxes:

The last step of determining your property taxes is when the Province sends to the Town the School Tax requisition.

A portion of all property taxes in Alberta are pooled and then used to partly fund the school system.

The education portion of your property taxes is 100% controlled by the Province, the Town is simply required to act as the agent of the Province and collect the money. School taxes are just over one third of your total property tax bill in 2016.

IMPORTANT DATES

May 4th, 2016
Assessment & Tax
Notices mailed

July 3rd, 2016
Deadline to file complaint
on property assessment

July 29/2016
Taxes are due

Your Ratepayer Rights:

Please review the information on your Assessment and Tax Notice carefully.

You will receive a single notice for each property that you own.

Specific Legal Rights:

As a ratepayer you have comprehensive rights to information and due process:

- An assessed person is entitled to see or receive sufficient information about the person's property in accordance with Section 299 of the Municipal Government Act or a summary of an assessment in accordance with Section 300 of the Municipal Government Act, or both.
- If you are the assessed person and would like further information regarding your

assessment, please contact Wild Rose Assessment Services at 403-764-3357.

- If you have a representative acting on your behalf, an agent authorization form will need to be presented before the assessment information will be released. The agent authorization form is available from the Town Office.
- Requests for further information regarding assessments must be received within 60 days of the mailing date shown on the Property Tax & Assessment Notice.

If your concerns are not satisfied after you have reviewed your assessment with the independent Town assessor, you may file a complaint against your assessment.

Filing a Complaint:

If a ratepayer believes their assessment is incorrect, they have a comprehensive appeal process in Alberta.

This complaint process is defined in the Municipal Government Act and associated regulations.

To submit a valid complaint you must present a completed complaint form and any supporting attachments, the agent authorization form, and the prescribed filing fee of \$50.00, to the address shown on the

assessment notice prior to the deadline indicated on the notice.

The required forms are available from the Town of Crossfield Administration office.

- Complaints must be filed within 60 days of the mailing date shown on the Property Assessment & Tax Notice.
- Complaints can only be filed against the assessed value of the property, not against the taxes or tax rates.

School Tax Facts:

As part of your 2016 Assessment Notice and Tax Bill, the Town of Crossfield is required by Provincial legislation to bill and collect taxes on behalf of the Provincial Government the Alberta School Foundation Fund and the Calgary Roman Catholic Separate School District.

While the Town of Crossfield bills and collects school taxes, the municipality does not keep any of this money and has no jurisdiction or control over

either the actual School Tax rate, the school board budgets or their operations.

In 2016, in Crossfield Education Taxes amount to 33.55% of your tax bill.

If you have concerns regarding your Education Property Taxes contact:

Government of Alberta
Education Property Tax Line:
Toll-free by dialing 310-0000
and then 780-422-7125
or 1-780-422-7125.

Reading your Tax Notice:

Comparing your 2016 bill vs 2015—What to expect:

A \$400,000 home would have looked like in 2015.....



CURRENT ASSESSMENT	
DESCRIPTION	AMOUNT
SINGLE FAMILY	\$400,000.00
TOTAL ASSESSMENT	\$400,000.00
EXEMPT	\$0.00
TAXABLE	\$400,000.00

Your "ASSESSMENT" is what your taxes are based upon. *It should be pretty close to the price you would reasonably expect to be able to sell your property for on the open market.* If this value is "way out" you should contact Wild Rose Assessment.

EDUCATION TAXES	TAX RATE
School Public	0.002300100
TOTAL 2015 EDUCATION TAXES	
SUB TOTAL 2015 TAXES	

TAX AMOUNT
\$920.04
\$920.04
\$920.04

These are your School Taxes. This tax is set by the Province. The Town does not get any of this money, and has no control over this amount. The Town is simply required to collect it on behalf of the Province when Town taxes are collected.

MUNICIPAL AND OTHER TAXES	TAX RATE
Fire Department	0.000054600
Library	0.000136010
Municipal Enforcement Unit	0.000195860
Municipal Operations	0.004347950
Recreation	0.000058290
Rockyview Foundation	0.000040700
TOTAL 2015 MUNICIPAL TAXES	
SUB TOTAL 2015 TAXES	

TAX AMOUNT
\$21.84
\$54.40
\$78.34
\$1,739.18
\$23.32
\$16.28
\$1,933.36
\$2,853.40

In Crossfield your Municipal taxes are divided up into several smaller levies. The main levy is called "Municipal Operations" and pays for most of what the Town does. The other smaller levies fund specific Town services.

This is the total amount of tax charged by the Town.

This is the combined total of taxes charged by the Province and the Town.

And here are the changes in 2016....



CURRENT ASSESSMENT	
DESCRIPTION	AMOUNT
SINGLE FAMILY	\$403,416.00
TOTAL ASSESSMENT	\$403,416.00
EXEMPT	\$0.00
TAXABLE	\$403,416.00

In 2016 your "ASSESSMENT" probably went up a bit. The average increase across all residential property in Crossfield was 0.85%. Each property is looked at individually, so yours may be different and may have gone up or down.

EDUCATION TAXES	TAX RATE
School Public	0.002455900
TOTAL 2016 EDUCATION TAXES	
SUB TOTAL 2016 TAXES	

TAX AMOUNT
\$990.75
\$990.75
\$990.75

Your School Taxes likely went up a lot in 2016, as the Province increased the tax rate by 6.8%. Combined with house prices rising a bit, the typical School Tax went up 7.7%. On a \$400,000 home that is around \$71.

MUNICIPAL AND OTHER TAXES	TAX RATE
Fire Department	0.000202090
Library	0.000145920
Municipal Enforcement Unit	0.000187450
Municipal Operations	0.004232500
Recreation	0.000056850
Rockyview Foundation	0.000039550
TOTAL 2016 MUNICIPAL TAXES	
SUB TOTAL 2016 TAXES	

TAX AMOUNT
\$81.53
\$58.87
\$75.62
\$1,707.46
\$22.93
\$15.96
\$1,962.37
\$2,953.12

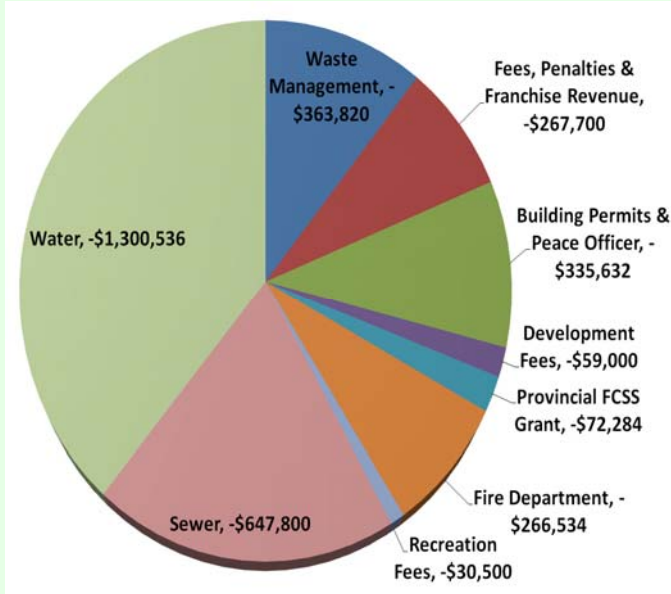
A lot of these little levies went up in 2016 to more accurately reflect the true cost of providing the service. But the main "Municipal Operations" levy was *reduced* to compensate. It is just a way of more honestly representing what things really cost.

The amount you pay to the Town will, on average, be 1.5% higher than in 2015. On a \$400,000 home the typical increase is \$29.

On a \$400,000 home the total property taxes go up a total of about \$100—an extra \$29 for the Town, and a \$71 increase for the Province.

Town of Crossfield 2016 Operating Budget Summary:

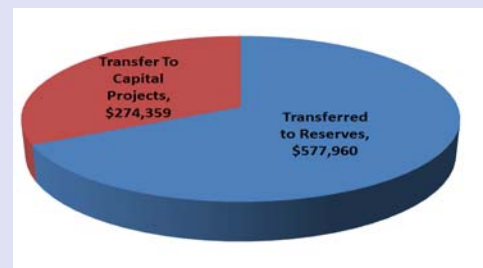
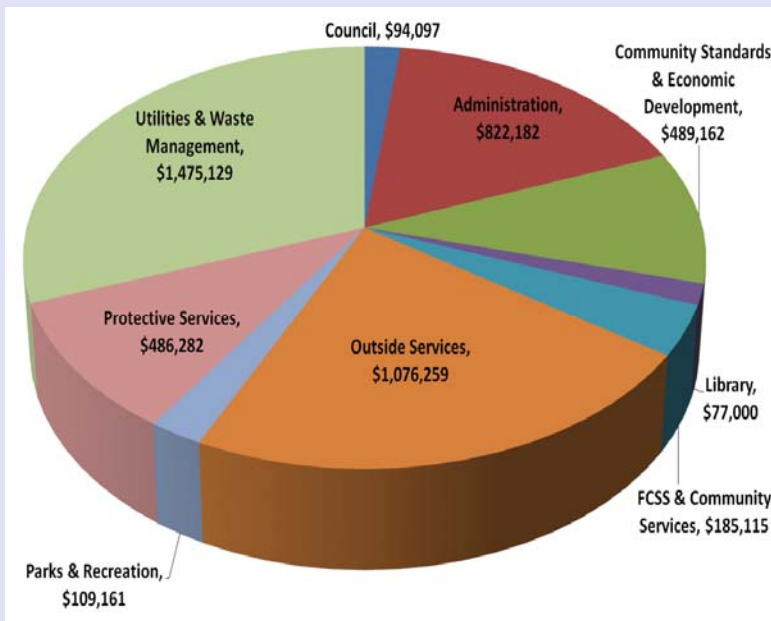
Collecting \$6,210,805 in revenues:



\$3,343,806 in operational revenue

\$2,866,999 in Taxes

Allocating \$6,210,805 in expenditures:



**To Capital and Reserves:
\$852,319**

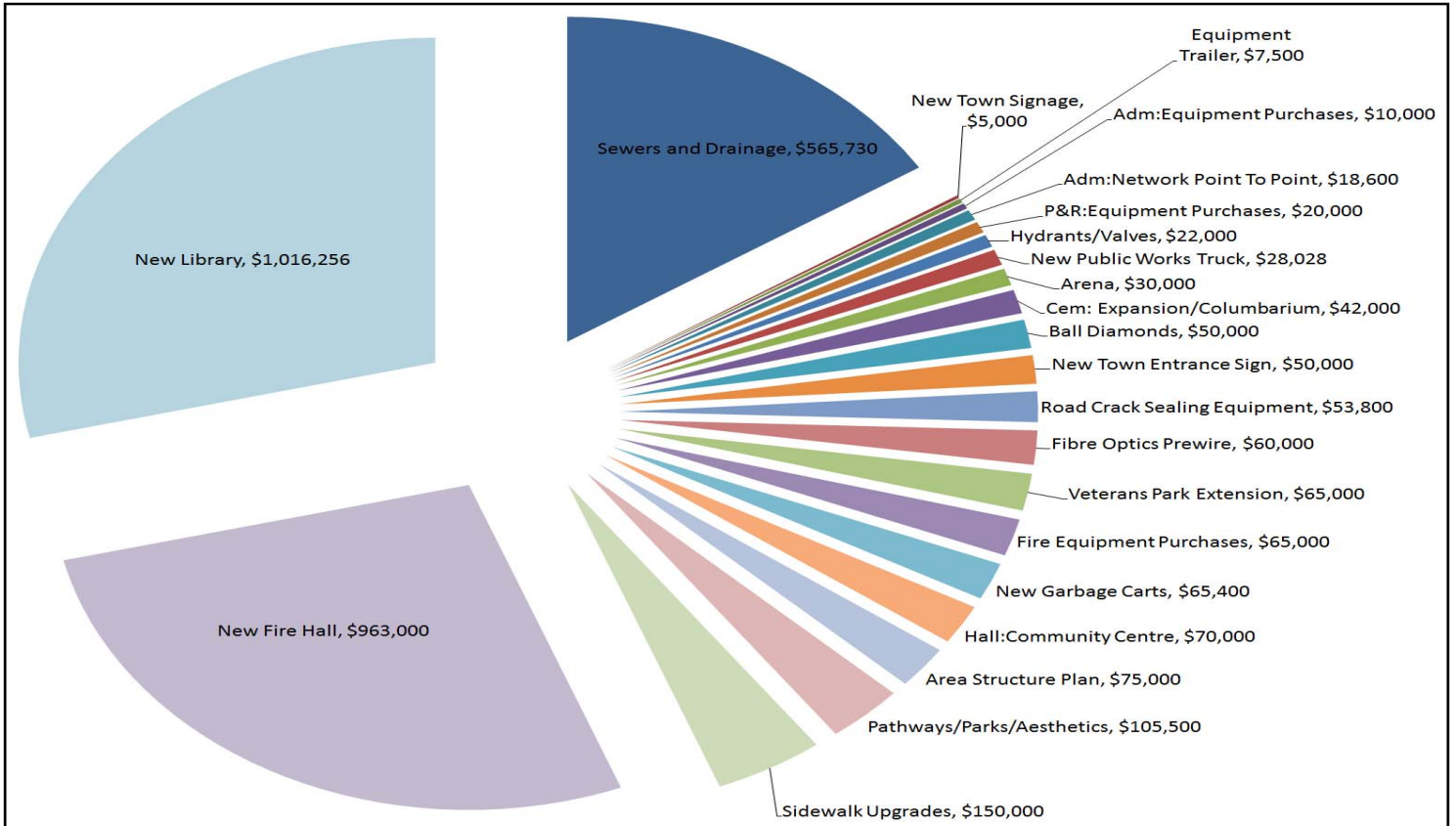


\$4,814,387.27 in operational spending

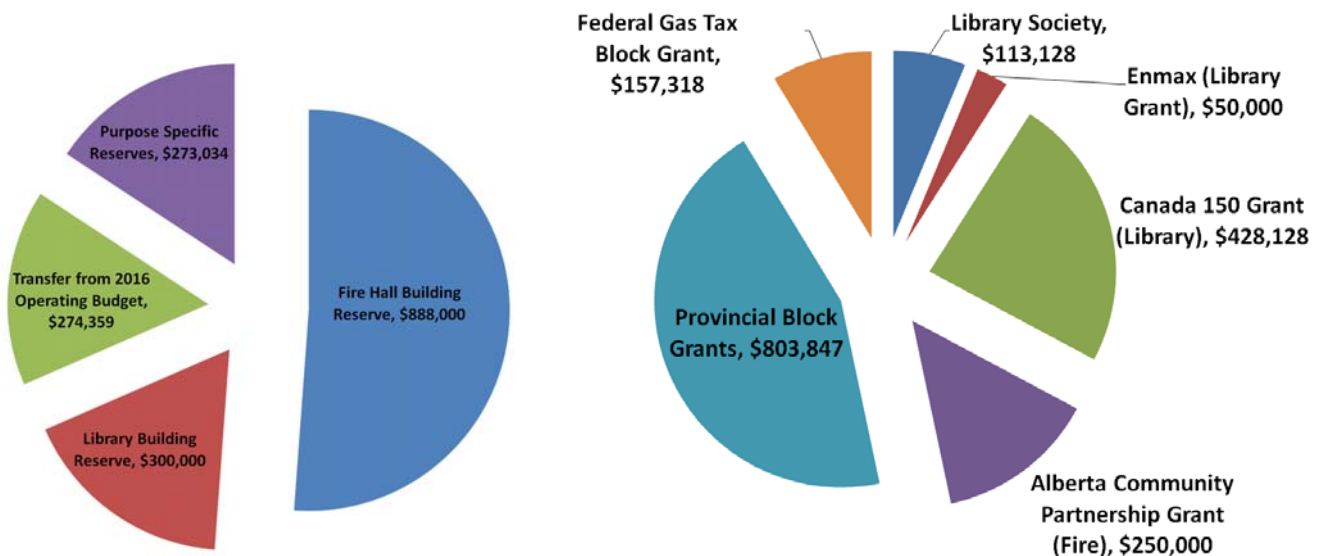
Debt payments - \$544,104

Town of Crossfield 2016 Capital Budget Summary:

Total Capital Budget: - \$3,537,814.25



\$3,537,814.25 funded by:



Self Funded: \$1,735,393

External Grants: - \$1,802,421

TIPS FOR AVOIDING LATE TAX PAYMENT PENALTY

- Payments submitted by mail must be clearly post marked by Canada Post before or on July 29, 2016.
- The last day to pay in person is Friday, July 29, 2016.
- To avoid the last minute rush, you can mail or drop off a post-dated cheque dated July 29, 2016.
- Please also refer to the information on the Assessment and Tax Notice.

PAYMENT OPTIONS FOR YOUR CONVENIENCE

Mail:

Cheque or money order (do not mail cash) payable to:
Town of Crossfield,
Box 500, Crossfield , AB,
T0M 0S0

In Person:

Town Administration Office - 1005 Ross Street
9 am—4:30 pm business days
Cash, Cheque or Direct Debit are accepted. Please note if paying by visa/mc there will be a surcharge added to the bill.

Online Banking:

Check with your financial institution.

TAX INSTALLMENT PAYMENT PLAN

The Tax Installment Payment Plan (TIPP) provides participants with the opportunity to make twelve monthly installment payments as opposed to the single annual payment due on July 31 each year. You may join the Program for the 2017 taxation year by completing an Application Form prior to March 15, 2017. These forms are available at the Town Office.



MAYOR and COUNCIL

Mayor Nathan Anderson
Deputy Mayor James Ginter
Councillor Jo Tennant
Councillor Hadi Feltham
Councillor Devon Helfrich

Chief Administrative Officer

Ken Bosman

Steve Washington

Wild Rose Assessment
Assessor for the Town of Crossfield

Accredited Municipal Assessor of Alberta

403-764-3357

Where your Property Taxes go in 2016

