

Council Message

With Easter being a time of renewal, the freedom from almost all COVID restrictions is welcome. Let's hope this "normal" continues. It is nice to see people gathering and carrying on conversations face-to-face without masks. However, we cannot become complacent with COVID or any other illness – protect yourself and others. Always be considerate and kind.

The last few months have certainly seen a lot of unseasonably warm weather along with strong winds causing a great deal of land blowing in many areas of the M.D. leading to soil erosion. Everyone needs to be aware and proactive in keeping valuable topsoil in place with good farming practices. Hopefully, we get good rains for the grass, hay and crops.

Combined Assessment and Tax Notices were mailed out June 3rd with a payment deadline of October 31st. The MD has a drop box just outside the office door so if you have missed the Post Office deadline, you can drop your tax payment in there. Also, if you normally receive a tax notice but have not gotten one, please contact the MD office at taxes@mdwillowcreek.com or 403-625-3351.

Council approved the M.D.'s 2022 Budget:

Total Operating Budget Revenue	\$ 15,415,685.00
Total Operating Budget Expenditures	<u>\$ 15,369,076.00</u>
Surplus	\$ 46,609.00

Total Capital Budget \$ 10,088,000.00

The majority of revenue is from municipal property taxation of which there are three categories of property for Assessment – Farmland, Residential and Non-Residential/Linear. All categories experienced increased assessed values from 2021 * (See below).

In 2021 each of the property class assessments were as follows:

2021 TAX YEAR					
ASSESSMENT CATEGORIES	ASSESSMENT VALUES	PERCENTAGE OF TOTAL ASSESSMENT	TAX RATE	REVENUE	PERCENTAGE OF REVENUE
FARMLAND	\$ 143,697,540.00	9.38%	0.007467	\$ 1,072,989.53	11.58%
RESIDENTIAL	\$ 675,313,910.00	44.09%	0.003759	\$ 2,538,504.99	27.39%
NON-RESIDENTIAL / LINEAR	\$ 712,573,620.00	46.53%	0.007936	\$ 5,654,984.25	61.03%
	\$ 1,531,585,070.00	100.00%		\$ 9,266,478.77	100.00%

2022 property class assessment and projected total revenue with 7% farmland mill rate increase and a 2% decrease in residential mill rate are as follows:

Proposed 2022 Mill Rate Option	ASSESSMENT VALUES	PERCENTAGE OF TOTAL ASSESSMENT	TAX RATE	PROPOSED REVENUE	PERCENTAGE OF TOTAL REVENUE
FARMLAND	\$ 143,702,770.00	8.33%	0.007990	\$ 1,148,140.58	10.80%
RESIDENTIAL	\$ 720,520,680.00	41.78%	0.003684	\$ 2,654,268.49	24.97%
NON-RESIDENTIAL / LINEAR	\$ 860,192,130.00	49.88%	0.007936	\$ 6,826,484.74	64.23%
	\$ 1,724,415,580.00	100.00%		\$ 10,628,893.82	100.00%

As seen in the above charts, there is, as a result of the increase in residential and non-residential property class assessments, a change in the percentage of the total revenue from each property class in favour of the farmland property class.

Unlike Residential or Non-residential property, Farmland Assessment does not change as a result of Market Value increases. Currently, Farmland is assessed under the Rural Assessment Policy which established farmland assessment values based upon a set of rating schedules based on typical cropping, management practices, costs of production, yields and crop prices from the 1971/72 crop year to the 1981/82 crop year period. The rating systems have not been updated since the mid-1980's. As such – farmland is not assessed on a market value basis, but rather on productive values from measures established over 40 years ago. Therefore, in order to maintain a measure of equity between the classes, an increase in the farmland property class mill rate has been undertaken.

Farmland property taxes contribute approximately 10% of the total costs for municipal services.

Farmland Assessment: An increase of 7% over the 2021 mill rate has been undertaken for Farmland in 2022.

Residential Assessment: Due to increases in market values and new construction, the residential assessment value has increased by \$ 45,206,770, an increase of approximately 9%, and now represents 41.78% of the total assessment of the municipality. As a result, the residential mill rate is being reduced by 2%.

Non-Residential/Linear Assessment values increased by \$ 147,618,510 (*due to the addition of a renewable energy project and other non-residential growth*) to be 49.88% of the total assessment. As a result, the tax revenue generated from non-residential will increase by approximately \$1,171,500 – a year-over-year increase of 19% in total non-residential assessment. No Increase in non-residential mill rate has been undertaken.

Designated Industrial Property assessment costs provided by the Province is charged back to those properties – specifically oil and gas, machinery and equipment, and linear properties.

Dedication of Funds for Future Infrastructure Replacement – As a result of the 12% increase in total assessment values of non-residential and residential (from \$ 1,531,585,070 to \$ 1,724,415,580), the increased tax revenue will be entirely dedicated to reserves for infrastructure asset replacement – primarily roads and bridges.

Prior to 2022 the M.D. of Willow Creek was not funding any annual amortization (depreciation) of its assets. This is not sustainable as every asset will eventually need to be replaced or rehabilitated. With reductions to future Provincial funding such as the MSI grant (Municipal Sustainability Initiative) projected in future years, reliance on grant funding will not maintain the required pace for infrastructure replacement. Dedication of municipal funds for future infrastructure replacement is critical for maintaining municipal public assets including roads and bridges.

2022 Major MD of Willow Creek Infrastructure Projects

Projected transfer from reserves to support future infrastructure replacement includes \$767,800 in the 2022 budget. In addition to the projected \$230,000 in bridge amortization, a total of \$997,800 in budget 2022 will be dedicated for future infrastructure replacement.

The Capital Projects for 2022 include:

- Trout Creek Road (Township Road 12-2) Reconstruction from Highway 2 west to Highway 520 (3.5 miles) in addition to Range Road 254 (from 800 meters north of Twp Rd 120 north 1 mile) – projected cost \$1,425,000 and is contingent on receiving funding through MSI Capital.
- Local Road Bridges – up to four bridges. These projects are estimated to cost up to \$1,000,000 and are contingent on receiving funding through STIP. If received, the breakdown would be STIP 75% and Federal Gas Tax 25%

- Granum Stormwater management project (\$1.65 million) plan to be constructed in 2022 - funded through the Alberta Community Resilience Program grant (ACRP - 90%) and the Municipal Sustainability Initiative (MSI - 10%)
- Granum Tri-Services Building to bring Transportation, Hamlet and Emergency Services into a single building. A work-in-progress with \$600,000 left to completion - funded thru MSI, insurance proceeds, a debenture and the Transitional Infrastructure Grant.
- Transportation Master Plan will aid in setting direction and priorities for future transportation investment. Estimated to cost \$100,000 and to be funded from reserves.
- Claresholm Airport Stormwater - Engineering and Phase 1 of repairs and replacements – estimated at \$250,000 and is funded through MSI
- Claresholm Airport Tie-Down Area – This project is contingent on receiving funding through STIP (the Strategic Transportation Infrastructure Program). If funding is received it will be funded by STIP (50%) and MSI (50%).
- Claresholm Airport Perimeter Fencing and Signage – is a work in progress from 2021, with a remaining cost of \$30,000 and is funded through MSI

Hamlet of Granum Special Tax

When the Town of Granum was dissolved on February 1, 2020, an infrastructure study was conducted by Municipal Affairs and it was determined that a \$14.7 million infrastructure deficit existed. The MD has been actively seeking grant funding to address critical infrastructure needs. In 2020, a Special Tax was levied in Granum which provided \$235,000 to begin rebuilding the critical infrastructure within the Hamlet.

The tax rate in Granum is based upon the difference between the MD of Willow Creek mill rate and the 2019 mill rate for the Town of Granum. Total property tax revenues levied by the MD of Willow Creek including the “Special Tax” are planned to be no higher than they were previously under the Town of Granum – however, there may be some instances where due to assessment changes arising from increased property values, the total taxes may rise.

A municipality may levy, through an annual bylaw, a Special Tax to provide or construct a special service that will benefit a defined area within a municipality. The municipality is restricted to recovering only the costs incurred in a given budget and on an annual basis for project costs related to a specific purpose or service.

In 2022, the Special Tax will raise \$235,000 for infrastructure and maintenance projects within the Hamlet of Granum including:

- Sanitary Sewer Renewal – South of Grey St., South of Landsdowne St, South of Dufferin St., fire hydrant additions, sidewalk replacement, stormwater management and other municipal infrastructure projects.
- Granum surfacing work inclusive of asphalt and the above-mentioned work
- Estimated costs - \$700,000 to be funded through MSI, Granum municipal reserves and the Special Tax

For everyone, you will also see on your Combined Assessment and Tax Notice costs that the MD has no control over:

- **Provincial Policing Costs** – increased by 33% for the 2022 Tax Year from \$220,331 to \$293,565. (In 2024, we will pay \$440,662). We still question “what are we receiving for this additional cost”.
- **Provincial School Foundation Fund** – the MD collects this on behalf of the Province and remits those funds to the Province.
- **Seniors Housing Requisitions** – Mosquito Creek Foundation (Nanton), Porcupine Lodge (Claresholm) and Willow Creek Foundation (Fort Macleod) requisition the MD for funds.

It should be noted that the portion of property taxes for a typical residential property for School, Policing and Seniors Housing property taxes represent approximately 30 - 40% of the total property tax cost.

Other news – **The Inter-Municipal Development Plan with the Town of Fort Macleod** has been completed without having the Land and Property Rights Tribunal wading into the issue with unknown consequences and it has received Ministerial Consent from Municipal Affairs. It was a battle to try and maintain the rights of agricultural producers to use their land to make a living and balance with the urban mindset of having a CFO exclusion area. We definitely need to educate our urban counterparts as to how important agriculture is and to what AOPA (Agricultural Operations and

Practices Act), MDS (Minimum Distance Separation) and the NRCB (National Resources Conservation Board) do and how they work.

Council has completed their review of the MD's Strategic Plan, as well as a comprehensive review of policies. This policy review has resulted in considerable simplification and reduction of many municipal practices, ensuring relevance and effectiveness. Council will also be reviewing the Land Use Bylaw this and have already identified a number of changes.

We invite all residents out to the Annual MD Council Open House & Barbeque on June 22. This year's event will be held in conjunction with the new Granum Tri-Services Building Grand Opening from 4 p.m. to 7 p.m. The facility is located at 125 Bright Street in Granum.

Everyone is Welcome – Hope to see you there

Sincerely,
M.D. Council

Reeve Maryanne Sandberg
Deputy Reeve Glen Alm
Councillor John Van Driesten
Councillor John Kroetsch
Councillor Earl Hemmaway
Councillor Ian Sundquist
Councillor Evan Berger