



TOWN OF ROCKY MOUNTAIN HOUSE

PO Box 1509 5116 50 Avenue, Rocky Mountain House Alberta T4T 1B2

What do I get for my Property Tax Dollar?

By legislation, the Town of Rocky Mountain House collects only enough taxes to support its programs and services - it cannot collect more and it cannot collect less. No tax is levied without purpose. Ultimately, by paying your share of property taxes, you contribute to the financial stability of our community and support the quality of life for which Rocky Mountain House has become known for.

Each year, the Town reviews how much money it needs to pay for municipal programs and services that are necessary to maintain and enhance Rocky's standard of living. This budget process allows Council and Town residents to identify where the money is needed most and helps determine the budget to meet those needs.

Services provided by the Town Include (This is not an exhaustive list):

- Governance
- Emergency Management
- Fleet
- Airport
- Garbage
- Social Housing
- Planning & Development
- Arena
- Trails
- Multiplex
- Library
- RCMP
- Protective Services
- Sidewalks
- Water
- Recycling
- Medical Clinic Facility
- Rural Alberta Business Centre
- Swimming Pool
- Parks
- Ball Diamonds
- Community Groups
- Fire Department
- Roads & Streets
- Storm Water
- Sewer
- Family & Community Support Services
- Cemetery
- Economic Development
- Recreation Programs
- Playgrounds
- Community Centre
- Financial & Debt Management

The operating expenses incurred to offer these services are paid for by the collective rate payers, users, Provincial and Federal Government grants as well as regional partnership agreements. Capital expenses are also covered by those same participants through reserve transfers as well as the Provincial and Federal Governments through their perspective granting programs.

As part of this process, the Town considers where the money to cover municipal programs and services comes from.

Revenue Sources for Rocky Mountain House Include (This is not an exhaustive List):

Property Taxes	<p>Property taxes are calculated on a per parcel basis (Tax Roll = Title at Land Titles).</p> <p>Assessment classes are assigned to each assessment value on the property. The established tax rates for the varied assessment class and levy purpose are multiplied by assessment value of the property and then divided by 1,000 to establish tax dollars. eg. 100,000 (Residential Assessment x 8.8832 / 1,000 = 888.32 Municipal Tax Dollars)</p> <p>Provincial property tax regulations have been established to ensure fair and consistent rules are applied.</p>
----------------	--





TOWN OF ROCKY MOUNTAIN HOUSE

PO Box 1509 5116 50 Avenue, Rocky Mountain House Alberta T4T 1B2

<p>Property Taxes</p>	<p>2017 Assessment Classes & Levy Purpose</p> <table border="1" data-bbox="522 401 1414 653"> <thead> <tr> <th>Assessment Class</th> <th>Municipal Purposes Tax Rate</th> <th>Education Requisition</th> <th>Seniors Foundation Requisition</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>8.8832</td> <td>2.5256</td> <td>0.1536</td> </tr> <tr> <td>Residential Vacant</td> <td>8.8832</td> <td>2.5256</td> <td>0.1536</td> </tr> <tr> <td>Machinery & Equipment</td> <td>9.3832</td> <td>0.0000</td> <td>0.0000</td> </tr> <tr> <td>Non-Residential</td> <td>9.3832</td> <td>3.9258</td> <td>0.1536</td> </tr> <tr> <td>Agriculture-Farm Land</td> <td>8.8832</td> <td>2.5256</td> <td>0.1536</td> </tr> </tbody> </table>	Assessment Class	Municipal Purposes Tax Rate	Education Requisition	Seniors Foundation Requisition	Residential	8.8832	2.5256	0.1536	Residential Vacant	8.8832	2.5256	0.1536	Machinery & Equipment	9.3832	0.0000	0.0000	Non-Residential	9.3832	3.9258	0.1536	Agriculture-Farm Land	8.8832	2.5256	0.1536
Assessment Class	Municipal Purposes Tax Rate	Education Requisition	Seniors Foundation Requisition																						
Residential	8.8832	2.5256	0.1536																						
Residential Vacant	8.8832	2.5256	0.1536																						
Machinery & Equipment	9.3832	0.0000	0.0000																						
Non-Residential	9.3832	3.9258	0.1536																						
Agriculture-Farm Land	8.8832	2.5256	0.1536																						
<p>Franchise Fees</p>	<p>Franchise fees are collected from utility companies that have an exclusive access to provide respective utilities within the community. Currently Rocky has franchise agreements with Atco for natural gas and Fortis for electricity. The fee is collected as a percentage of service by those companies and then forwarded to the Town to use as needed without external restrictions.</p> <p>Franchise agreements meet the local government requirements of providing basic services for natural gas and electricity. This is a reliable revenue stream for the community, however it also provides the foundation to ensure a consistent delivery of these services to the residents without direct management.</p>																								
<p>User Fees, Licenses & Permits</p>	<p>Revenues collected from user fees are applied to the direct operation of the programs, facilities and/or services that supply them. User fees are considered partial funding for some services to cover the costs in a more balanced manner. Users will pay a higher percentage of the cost of the services when they are also rate payers. Non-rate payers will be contributing to the cost as well, thereby decreasing the burden on the property tax revenue stream.</p>																								
<p>Local Government Cost Sharing</p>	<p>The Town of Rocky Mountain House has a cost share agreement(s) in place with Clearwater County. This agreement provides annual operating and capital funding for recreation facilities, programs, FCSS, lagoon and any other opportunity where shared services are in place. Our 'Stronger Together' agreement and continued net-working for the benefit of the entire area is another reason Rocky residents have a great quality of life.</p>																								
<p>Provincial & Federal Grants</p>	<p>Provincial and Federal Grant funding is in place mostly to assist communities with the large infrastructure projects, emergency and protective services as well as planning strategy development. Funding is typically granted for specified purposes.</p>																								





TOWN OF ROCKY MOUNTAIN HOUSE

PO Box 1509 5116 50 Avenue, Rocky Mountain House Alberta T4T 1B2

<p>Reserve Transfers (Savings Account Draws)</p>	<p>The Town has an obligation to provide services and the infrastructure that those services require to operate. Annual reserve transfers are used to prevent large spikes and valleys in the tax rates.</p> <p>Reserves are contributed to in two different general categories, then further categorized by rules that apply to the contribution and use of them:</p>	
	<p>Operating – Unrestricted</p>	<p>This type of reserve is most commonly known as accumulated surplus and is used most often to manage year end transactions such as surplus/deficit when closing out profit and loss accounts.</p>
	<p>Operating - Internal Restricted</p>	<p>An internal restricted operating reserve is most often used to manage HR & Payroll adjustments, department specific one time operational costs such as planning and tax rate stabilization amounts for unexpected or phased in services.</p>
	<p>Operating - External Restricted</p>	<p>An external restricted operating reserve is an allocation specific to a purpose provided by a non-governmental source such as a donation for operating a library built on a trust fund basis.</p>
	<p>Capital - Internal Restricted</p>	<p>Internal Restricted Capital reserves are a combination of monies set aside for betterments, acquisition and/or replacement of tangible capital assets. They are then broken down further by cost centres and department for specific management. Annual depreciation amounts on existing assets are intended to be transferred to these reserves. Capital assets are not funded directly through taxation in any given year, rather contributions to reserves over time are drawn at the time of acquisition.</p>
	<p>Capital - External Restricted</p>	<p>External Restricted Capital reserves consist of monies collected from individuals, developers and/or other sources for specific tangible assets. Contributions are based on bylaws, provincial and/or federal government regulations and must be collected and/or used under the guidelines specified. Local Improvements (prepaid), Offsite Levies, Monies in Lieu of Municipal Reserve, Individual and/or Corporate donations are common examples of an External Restricted Capital Reserve.</p>





TOWN OF ROCKY MOUNTAIN HOUSE

PO Box 1509 5116 50 Avenue, Rocky Mountain House Alberta T4T 1B2

Property tax revenue represents 45% of the total revenue needed to fund the Town's 23.2 mil 2017 Budget. Each year, municipal councils determine the amount of money they need to operate their municipality. From this amount, the council then subtracts other known revenues. The remainder is the amount of money the municipality needs to raise through property taxes to provide services for the year. To ensure that all property owners pay their fair share of property taxes, the Town follows the guidelines established in the Municipal Government Act by the provincial government. The assessment values are based on the market value as of last July in any given year.

Requisition tax dollars needed are provided to the Town for collection, the Town levies the requisition as part of the annual tax levy and then forwards the dollars collected to the corresponding requisition body.

- Education Requisition represents 32% of Provincial Education Dollars and are Collected through Property Taxes on behalf of the Provincial Government. Amounts collected from Residential and Non-Residential assessment classes are defined by the province with each requisition. The province uses last years equalized assessment values to determine these amounts.
- Seniors Foundation Requisition represents a portion of the ongoing costs for the operation of social housing for seniors. Amounts to be collected are defined by the foundation and apply equally to all assessment classes.

Tax dollars collected for municipal purposes are based on annual budget revenue requirements. Residential Taxes cover much of the tax revenue, while Non-Residential taxes are collected at a higher rate per assessment dollar. The Town of Rocky Mountain House 2017 tax dollar revenue was collected at 73% from Residential properties and 27% from Non-Residential properties. Communities vary in the amounts collected per assessment class, this split is determined by council on an annual basis when they establish the annual tax rate(s). Some comparative tax rate splits are:

Year	Town	Municipal Mill Rate Residential	Municipal Mill Rate Non-Residential	Rate Spread
2016	Rocky Mountain House	8.6453	9.1453	0.50
2016	Sylvan Lake	6.018	10.406	4.39
2016	Innisfail	6.5111	8.0739	1.56
2016	Blackfalds	7.3052	9.0852	1.78
2016	Clearwater County	2.5868	7.5417	4.95
2016	Westlock County	4.5785	26.1955	21.62
2016	Red Deer County	3.7406	11.0055	7.26
2016	Red Deer	6.0718	13.1457	7.07
2016	Wetaskiwin	9.189	20.3946	11.21

Non-Residential Taxes are often calculated using a higher rate than residential to provide contribution balance. Assessments are categorized by determining the usage of the property. Properties that are used for the purpose of generating a profit are categorized as Non-Residential and those that are used for living in are categorized as Residential. Sub categories can be established for residential properties and in the new MGA the ability to create sub categories for non-residential will be established as well. A strong municipality with a vibrant business community builds profits for business while enhancing the quality of life for individuals. Enhanced quality of life attracts more residents which enhances business profits and provides a place for their employees and patrons to be. The cycle is ongoing with a few ups and downs as economic and environmental challenges are encountered. This symbiotic relationship is best known as the community at large and is a source of pride for all who live, work and play in Rocky Mountain House.





TOWN OF ROCKY MOUNTAIN HOUSE

PO Box 1509 5116 50 Avenue, Rocky Mountain House Alberta T4T 1B2

2017 Actual - Rocky Mountain House Residential vs Non-Residential Comparative:

Property Tax Class	2017 Actual
Residential Taxes	\$ 6,091,469.42
Non-Residential Taxes	\$ 2,228,243.76
Education Requisition (Residential)	\$ 1,728,753.56
Education Requisition (Non-Residential)	\$ 907,951.64
Seniors Foundation	\$ 140,691.01
Total Property Tax Revenue	\$ 11,097,109.39

