



VILLAGE OF MARWAYNE

2023-2026 OPERATIONAL BUDGET & 2023-2028 CAPITAL BUDGET OVERVIEW





Table of Contents

Executive Summary

- Property Tax Collection 3
- Assessment 4
- Relationship between Assessment & Taxation 5
- Budget Requirements 5
- Rates of Taxation 6
- Legislated Requirements 7
- Education Property Tax Requisition 7
- Special Culture/Recreation & Local Improvement Tax 8
- Provincial Policing 8
- Utilities 9

2023 Village of Marwayne Budget 9

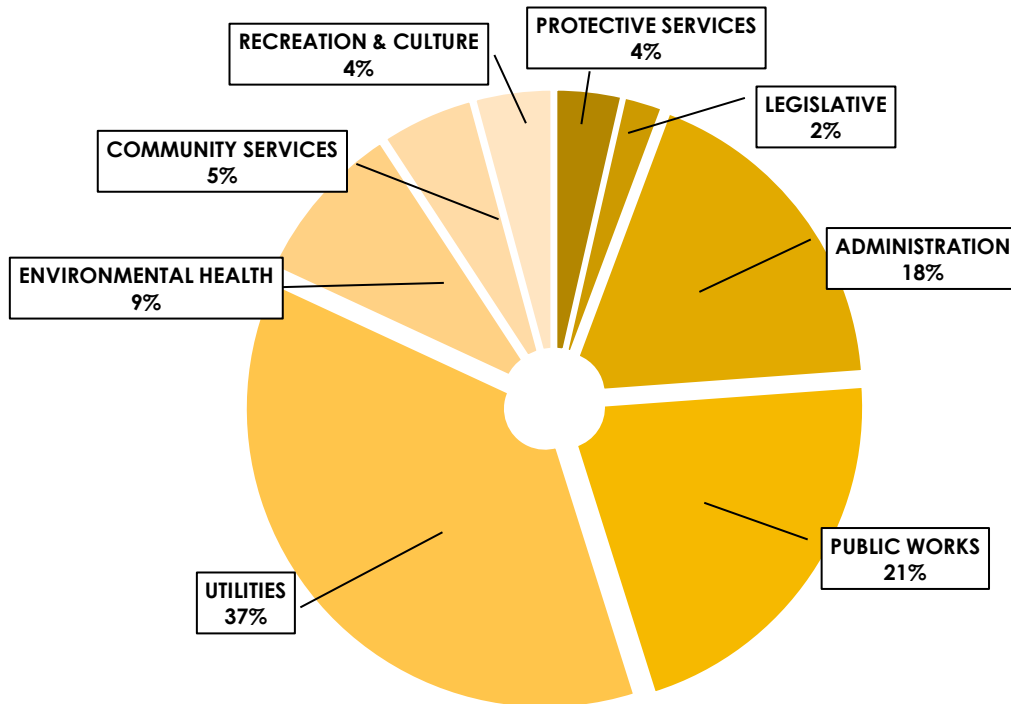
Categorial Summary of 2023 Budget 10



Property Tax Collection

The Village of Marwayne (hereinafter referred to as “the Village”) collects property taxes in order to fund day to day operations and provide the level of service Marwayne residents have come to know and expect. To determine the amount the Village needs to raise through property taxes, the Village determines the amount of money required to operate the municipality in any given year and then deducts any known revenues (grants, user fees, etc.). The graph below shows a breakdown of the Village's operational expenses by category as per the 2023 budget.

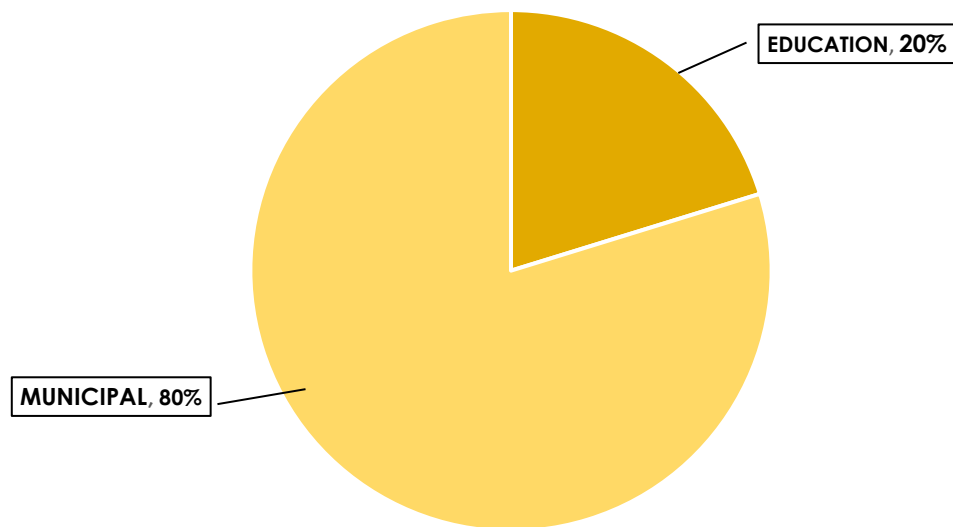
OPERATIONAL EXPENSES BY CATEGORY





Property taxes are not a fee for service, but rather a method of distributing the cost for local government services and education taxes fairly throughout a municipality. For every dollar (\$1.00) collected in property taxes, the Village retains \$0.80 and transfers \$0.20 to the Province of Alberta.

WHERE YOUR TAX DOLLAR GOES



Assessment

In 2022, the Village's total assessment for all properties was \$41,033,710. Comparatively, the Village's total assessment for all properties in 2021 was \$40,676,600 and \$41,981,930 in 2020. Unfortunately, the Village's assessment slightly decreased in 2023 for a total of \$40,304,390. Assessment has major budgetary implications for Council to consider in passing the 2023 Property Tax Bylaw 594-23 which establishes the 2023 mill rates and associated levies for the current fiscal year.

The 2023 assessment is based on the value of properties as of July 1, 2022



Relationship between Property Taxes and Assessment Values

Although one impacts the other, assessment and taxation are very different and each have a distinct and independent process.

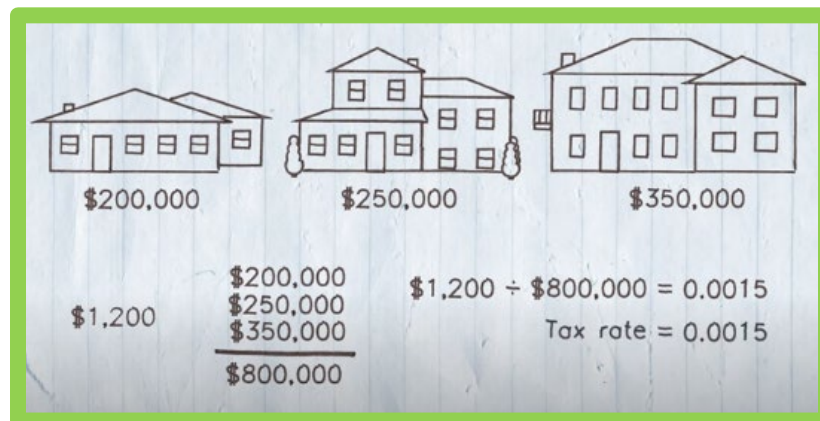
Assessment

The process of estimating a dollar value on a property for taxation purposes. This value is used to calculate the amount of taxes that will be charged to the owner of the property.

Taxation

The process of applying a tax rate to a property's assessed value to determine the taxes payable by the owner of that property.

For ease of reference, the City of Airdrie created an exemplary informational tutorial on how property tax assessment and taxation work together in this short video: https://www.youtube.com/watch?v=QY8GDQCK_pU.



Budget Requirements

The Village of Marwayne's 2023 budget is \$1,567,139 – a decrease of \$223,842 over 2022. Due to inflation and the cost of service provision, the Village of Marwayne has made the necessary budgetary amendments to ensure the municipality's operations are adequately funded and sufficient monies have been allocated towards our reserves, future projects and asset management in the years to come.



With provincial grant funding on the decline and municipal requisitions increasing, the Village is tasked with collecting more money than in previous years to fund its operations.

Therefore, the revenue required to offset the Village's 2023 expenses is as follows:

Tax Levies	\$502,530
Grants, Debentures, Reserves, and User Fees	\$1,064,609

Rates of Taxation

Minimum Tax Rate

A municipality may levy, by bylaw, a minimum amount of tax on each property. The minimum property tax is not a fixed surcharge – it only applies to a property if the calculated tax rate multiplied by the assessed value of the property is lower than the amount set as the minimum tax.

As per the Village's 2023 Property Tax bylaw 594-23, the minimum tax rate for all Village properties has remained at \$950.

Residential & Non-Residential Rates

The terms tax rate and mill rate are often used interchangeably but one should be wary of the interpretation.

Tax Rate

Is the number that is multiplied by each property's assessed value to determine its property taxes. It is usually expressed in four (4) to six (6) decimal places such as 0.008437. Due to the number of decimal places, municipalities often communicate tax rates as mill rates.

Mill Rate

Is achieved by multiplying the tax rate by 1,000. For example, using the number above, a tax rate of 0.008437 would be presented as 8.44 in mill rate terms.



Legislated Requirements

In accordance with the provisions of the Municipal Government Act (hereinafter referred to as “the MGA”), municipalities must prepare balanced three (3) year operational and five (5) year capital budget plans.

Both the operational and capital budgets are reviewed and updated annually so as to allow Council the flexibility to make changes as necessary. Adjustments to the three (3) and five (5) year plans provides Council with the opportunity to ensure their strategic plan vision and mandate is also in alignment with their financial portfolio and objectives.

The Village’s plan, based on asset management and annual grant funding available, is to rehabilitate its water system, wastewater system and transportation system in accordance with the “Infrastructure Condition Assessment” prepared by Associated Engineering and subsequently, Infrastructure Solutions. Further, the Village has been actively working on the items identified in the redraft of the Sustainability Plan and Strategic Plan which were finalized and adopted by Council in the spring of 2022.

Education Property Tax Requisition

All property owners in Alberta (with some exceptions, such as non-profit organizations and seniors’ lodge facilities) are required to pay the education property tax, based on their property’s assessment value and an equalized assessment process. This tax revenue is then pooled into the Alberta School Foundation Fund and distributed among Alberta’s public and separate school boards on an equal per-student basis.

The Village of Marwayne, by passing the 2023 Property Tax Bylaw 594-23, has established the mill rates for residential and non-residential properties as well as the parameters for tax collection, deferrals and penalties.

Special Culture and Recreation Tax

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.



Examples of special services or constructions include waterworks, sewers, boulevards, drainage ditches, dust treatment, fire protection or recreation services. Special taxes are only paid by the property owners within the defined area.

The Village of Marwayne, through Bylaw 595-23, is responsible for collecting annual special culture and recreational tax funds towards the \$300,000 Marwayne Agriplex Project debenture.

Local Improvement Tax

A municipality may impose a local improvement tax that is levied on properties within a specific area to fund an improvement that is applicable to that area only. Examples of local improvements may include sidewalks, lane lighting, or paving or roads/alleys. Local improvement taxes are applied to the property owners within the defined area and are charged annually over a set number of years. This tax model offers flexibility to levy a tax on a specific area of properties and/or tax property owners based on factors other than property value.

The Village of Marwayne currently collects a local improvement levy for the expansion of utility services and infrastructure on 5th Avenue North through Bylaw 511-12.

Provincial Policing

In 2021, the Provincial Government elected to update the legislation and begin collecting a municipality's policing cost share under the new Policing Funding Model Regulation. A portion of the costs of frontline policing are now allotted back to municipalities based on population, equalized assessment, crime severity, shadow population and detachment location. For the 2023 fiscal year, the Village of Marwayne must remit \$20,561 towards policing, an increase of \$5,099 over 2022. This cost, although not a separate line item on your taxes, makes up approximately \$67.19 of each residential and/or commercial tax levy.



Utilities

The cost of water, sanitary sewer, and garbage is funded by and accounted for using both fixed and variable rates. With the approval of the 2023 utility rates by Council, residents continue to remit payment based on their actual water consumption each month in addition to a flat fee for the provision of water, sanitary sewer and garbage services through Bylaw 593-23. The 2023 utility rates were raised to \$4.35 per cubic meter for residential, commercial, public/industrial and institutional buildings and \$6.60 per cubic meter for bulk water to align with the increase in the cost of purchasing ACE water.

2023 Operational and Capital Budget Summary

Council approved the 2023 operational and capital budgets at the April 17th, 2023 Village Council Meeting.

	REVENUE			EXPENSES			NET			
	BUDGET	YTD	BUDGET	BUDGET	YTD	BUDGET	BUDGET	YTD	BUDGET	VARIANCE
	2022	2022	2023	2022	2022	2023	2022	2022	2023	(2023-2022)
GENERAL	(138,664)	(230,961)	(229,374)	-	-	-	(138,664)	(230,961)	(229,374)	(90,710)
PROTECTIVE SERVICES	(1,600)	(973)	(1,618)	43,932	42,033	61,557	42,332	41,060	59,939	17,607
LEGISLATIVE	-	-	-	29,900	21,417	28,062	29,900	21,417	28,062	(1,838)
ADMINISTRATION	-	-	-	258,145	250,059	289,339	258,145	250,059	289,339	31,194
PUBLIC WORKS	(450)	(4,222)	(1,655)	216,579	181,266	209,153	216,129	177,044	207,498	(8,630)
UTILITIES	(407,690)	(434,466)	(390,500)	475,574	428,591	455,541	67,884	(5,874)	65,041	(2,843)
ENVIRONMENTAL HEALTH	(78,330)	(74,952)	(65,000)	74,695	74,571	76,589	(3,635)	(381)	11,589	15,225
COMMUNITY SERVICES	(53,025)	(53,769)	(34,000)	24,900	39,977	54,742	(28,125)	(13,792)	20,742	48,867
RECREATION & CULTURE	(24,674)	(24,282)	(24,454)	92,257	75,017	68,472	67,583	50,735	44,018	(23,565)
CAPITAL	(598,081)	(388,219)	(318,009)	575,000	127,546	323,684	(23,081)	(260,673)	5,675	28,756
TOTAL	(1,302,514)	(1,211,843)	(1,064,609)	1,790,981	1,240,476	1,567,139	488,467	28,633	502,530	14,063



Categorical Summary of Budget Line Items

General

- Tax Penalties & Costs
- ATCO Franchise Agreement
- Licenses & Permits
- MSI Operating
- Newsletter

Protective Services

- Bylaw Fines
- Pet Licenses
- Remittances
- Course Registration Fees/Training
- Insurance
- Supplies & Maintenance
- Natural Gas
- Fuel
- Provincial Policing

Legislative

- Council Indemnities
- Mileage & Subsistence
- Memberships
- Conference Registrations
- Deductions

Administration

- Salaries/Benefits
- Travel & Subsistence
- Postage/Office Communications
- Legal Fees & Land Title Costs
- Supplies
- Insurance
- Contracted Support
- Bank Charges/Write offs

Public Works

- Travis Permits
- Equipment Maintenance & Repairs
- Salaries
- Contracted Repairs
- Service Provision
- Streetlights
- Sand & Gravel

Utilities

- Consortium
- ACE Water
- Customer Billing
- Monitoring Tests
- Contracted Services

Environmental Health

- Waste Collection
- Transfer Site/Landfill
- Recycling
- Supplies
- Water & Wastewater
- Lagoon Maintenance

Community Services

- Family and Community Support Services
- Planning & Development
- Business Licenses
- Land Sales
- Advertising
- Business Revitalization
- Website

Recreation & Culture

- Summer Student
- Parks Maintenance
- Library Requisition
- Spraying & Pruning
- Mowing