



BEYOND THE HORIZON

## NEWS RELEASE

May 1, 2008

# County Council Approves 2008 Budget and Tax Rates

(Lacombe, Alberta) – Continued demand for high-quality local service delivery presented significant challenges to Lacombe County Councillors at their April 24<sup>th</sup> meeting as they labored to produce a fiscally responsible budget for 2008. However, additional tax revenue generated through new residential and commercial/industrial developments throughout the County, combined with additional grant funding from the provincial government, aided Council in approving a budget which meets current needs but still allows for the reduction of 2008 property tax rates.

While Council approves the interim operating and capital budgets in December, the final budgets and tax rates are not set until April of the following year, once the County has received the education requisition from the Province. Municipal tax rates are determined by aligning the total budget requirements for the coming year with the total assessed value of all properties in the County. The amount of property taxes levied for education purposes is determined by the Province. Separate tax rates are established for residential, farmland, and non-residential properties, as well as for machinery and equipment (See the Backgrounder on the next page for 2008 property tax rates).

Total residential property assessments for 2008 increased by a total of just over 54%, of which approximately 6% was a result of new developments, with the balance due to market value increases. Despite a decrease in tax rates for all property classes, individual property owners may experience an increase in taxes due to changes in their assessed property values. Because residential property values are related to market demand, assessments can vary significantly from property to property across the County. According to Tim Timmons, Manager of Corporate Services, residential property owners should not see an increase on their tax bill unless the assessed value of their property has increased by more than 44.45% over last year.

Of the County's total \$52.2 million operating budget, \$32.2 million is funded through property taxation, with \$9.6 million of this being forwarded to the provincial government for education purposes. The County's portion of the property taxes collected is used to fund the cost of services and programs provided to local residents and businesses. The County proposes to undertake five major pavement rehabilitation projects in 2008 at an estimated cost of \$9.93 million. Major components of the 2008 capital budget of \$8.95 million include vehicle and equipment replacement for the County's Fire, Public Works, Agriculture and Protective Services departments, the expansion of the County's office and shop facilities, as well as various community projects like upgrading of the Alix fire hall and the purchase of recreation equipment for the new outdoor recreation complex in Mirror, which opens on May 6.

Every year Council re-dedicates itself to the difficult task of managing resources to meet the growing needs of its residents and businesses, while trying to maintain a balance between present needs and future growth. County Commissioner Terry Hager sums up the result this way: "The budget strikes a reasonable balance between addressing service costs and taxes that ratepayers will face in 2008. It addresses growth needs in terms of additional support staff for our Planning, Corporate Services and Public Works departments, and puts the County in a strong position to meet the growing service needs of our residents."

Tax notices will be mailed out at the end of May, with taxes due by August 31, 2008.



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For more information contact:

Tim Timmons  
Manager of Corporate Services  
Lacombe County  
(403) 782-6601

## Backgrounder

<b>2008 Tax Rates</b>				
	<b>Municipal Tax</b>	<b>Educational Tax</b>	<b>Total</b>	<b>Per cent Change from 2007</b>
<b>Farmland</b>	4.200	2.287	6.487	-16.51%
<b>Residential</b>	2.120	2.287	4.407	-30.82%
<b>Non-Residential</b>	4.200	4.304	8.504	-9.04%
<b>Machinery &amp; Equipment</b>	4.200	0.000	4.200	-4.55%