


Assessment Model Review IMPACTS REPORT

FLAGSTAFF COUNTY

The Government of Alberta is proposing assessment model changes, which could affect your municipality's revenue.

TOTAL REVENUE MAY
CHANGE BY AS MUCH AS
 **18%**

For more context and scenarios, please review the back.

To compensate, you may need to adjust:

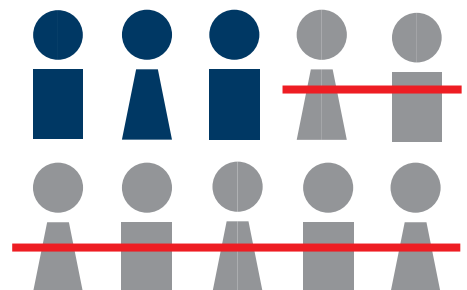
RESIDENTIAL MILL RATE
BY AS MUCH AS

 **191.1%**



OR

FULL-TIME STAFF
BY AS MUCH AS 69.7%



For more context and scenarios, please review the back.

MUNICIPAL IMPACTS

Based on the assessment model review scenarios provided by the Government of Alberta and financial data from the MFIS database, RMA's models make the following municipal predictions. Due to the limits of data provided, we are unable to project past the first year of implementation. Because of the significant changes to the depreciation curves under most of the models, there will be increased impacts in the future as assets age.

SCENARIO TAX IMPACTS	SCENARIO A	SCENARIO B	SCENARIO C	SCENARIO D
Total Assessment Base Loss	\$-217,738,822 (-15%)	\$-244,725,589 (-17%)	\$-254,538,152 (-17%)	\$-297,381,335 (-20%)
M&E Assessment Base Loss (%)	-10%	-10%	-10%	-10%
LP Assessment Base Loss (%)	-33%	-38%	-39%	-47%
M&E Tax \$ Loss (2019 Mill Rate)	\$-523,857	\$-523,857	\$-523,857	\$-523,857
Linear Tax \$ Loss (2019 Mill Rate)	\$-3,157,214	\$-3,613,450	\$-3,779,340	\$-4,503,643
Percent Loss of Total Revenue	-13%	-15%	-15%	-18%

MUNICIPAL RESPONSE OPTIONS

The response options below demonstrate how significant non-residential assessment and taxation is for rural municipalities. Even a modest reduction in oil and gas assessment may require municipalities to drastically increase tax rates or reduce expenses. In other words, changes to assessment have significant domino effects on rural municipalities. These illustrate hypothetical impacts that the changes may have on operations based on available data. These should not be seen as recommendations, as they are only provided for context.

POTENTIAL RURAL MUNICIPALITY RESPONSE IMPACTS	SCENARIO A	SCENARIO B	SCENARIO C	SCENARIO D
Residential Mill Rate Increase	139.9%	157.3%	163.6%	191.1%
OR				
Non-Residential Mill Rate Increase (Excluding 5:1 limits)	28.4%	33.1%	34.9%	43.3%
Tax capacity shortfall due to 5:1 ratio (includes tax capacity loss still required to achieve 5:1)	\$0	\$0	\$0	\$0
OR				
Workforce cuts to cover losses (% of total FTE's)	51.1%	57.4%	59.7%	69.7%
FTE's at risk	32.17	36.15	37.60	43.93
OR				
Total Expense Reduction % (including capital infrastructure investment)	16.34%	18.36%	19.10%	22.31%
OR				
Time shortfall can be covered by Unallocated Reserves (Months)	58	52	50	43