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1. Upcoming Meetings/Events

May 24, 2011 SATA Monthly Meeting

2. Property Taxes Near the Top

You may have seen the article in the April 23rd St. Albert Gazette showing the relative ranking of Alberta municipalities in terms of municipal property tax for every \$100,000 of assessed value. Not surprising, St. Albert is near the top of the list. Only Grande Prairie is higher.

Summarizing the data from Alberta Municipal Affairs for 2010 for the Capital Region, the residential property taxes per \$100k of assessment are as follows:

Municipality	Property Tax
St. Albert	\$ 745
Leduc	\$ 618
Spruce Grove	\$ 530
Edmonton	\$ 473
Strathcona County	\$ 436
Ft. Saskatchewan	\$ 408

Since St. Albert property values tend to be higher than those in other municipalities, property taxes on a home located in St. Albert will likely be even higher than taxes for a comparable property in every other part of the province.

In the article, Mayor Nolan Crouse is quoted as saying "If you don't want to pay high taxes then you're going to have to cut some services."

Maintaining municipal services has been a constant theme prior to every budget debate.

And yet, while Administration has been instructed each year to plan on the basis of maintaining services with no new spending, operating costs and property taxes have been increasing at rates that have been outpacing growth plus inflation!

Based on the 2010 Annual Report, from 2002 to 2010, St. Albert's population has grown by only 13.3%, and the Alberta Consumer Price Index has risen by 22.7%. At the same time City's payroll cost has risen from \$24.8 million to \$56.5 million, or 127.6%!

When one considers that today, St. Albert residents enjoy most of the same services and amenities that were available 10 years ago, why have property taxes increased as much as they have? Where have our tax dollars been spent? Perhaps it is time to take a long hard look the ever increasing size of our City government?

3. 2011 Tax Notices Coming

And while on the topic of property taxes, the City will be issuing 2011 tax notices on May 29, 2011. St. Albert taxes will increase on average, by 3.24%. This includes the operating deficit and capital costs for Servus Place, which for the "mythical" \$400,000 house, amounts to \$48 and \$139 annually without you even setting foot in the door of the facility. Also, this year, you can add another 0.24% to your tax increase, as the operating cost for the Sturgeon Foundation will appear on your bill separately.

This isn't the full story. This year there is a shift in the tax burden to single family residential properties, which will see an average hike of 4.1% in comparison to townhouses and apartment condos, which on average will see no tax increase or a slight decrease. While not the magnitude of increases in 2008, some older neighbourhoods are hit harder too. For example, the **average** increase in Grandin Park is 5.2%, in Braeside 5.1%, in Sturgeon 5%, in Mission Park 4.8%, Akinsdale and Woodlands 4.6% and Lacombe Park 4.5%. In comparison, the average increase in Erin Ridge is 3.3%, in

Kingswood 3.5% and in Oakmont and Pineview 3.8%.

And always there is the sub-text. If only we could get a bigger portion of assessment from non-residential properties. But that isn't happening. In 2005 the non-residential split was 11% to 89% and in 2011 it is 10.9% to 89.1%. So St. Albert continues to have the majority of its tax revenue come from residential taxes. This is one of the reasons all residents must advocate for moderate spending by our City Council.

4. New Police Space

The RCMP is short of space now; 4,300 square feet, and has 10-year future needs of up to 10,000 square feet. So Council was presented with several options even though for many of the options, limited funding is available. No capital dollars are available and there is only \$150,000 in the 2010 operating budget for the rental option. Still administration recommended a new building for \$5 million plus land costs.

Yet, at the May 9th meeting of the Standing Committee on Finance, four Councillors supported another option; the renovation of the underutilized Hemingway Centre (the old RCMP building). The land is worth about \$1.25 million, but the building contains asbestos, so either demolishing or renovating it will be expensive. Costing \$1.5-2.0 million, renovating the building would provide space for the RCMP for 7 years, and perhaps longer depending on city growth rates. Later, since the costly asbestos removal is done, inexpensive renos would extend the life of the building for use by other city staff rather than renting other non-city facilities. Sounds like it makes sense and we hope Councillors Brodhead, Lemieux, MacKay and Parker hold firm at the May 24th Council meeting when the final decision is made. In comparison to the next lowest cost option, rental, the city gets additional years use from the building, after the RCMP outgrows the space in the future.

Critics of this option say that the police would continue to be cramped for the next 18 months or so. However when asked about how current space shortages affect efficiency, the Police Chief could point to only a small impact. Admirably, they have "made do" by being innovative. We did not hear that policing was being compromised. Parking is an issue, but

with Holes relocating, short term usage of their parking lot could be arranged. Also, new parking downtown should alleviate Hemingway parking issues.

The May 14th Gazette editorial maintains Hemingway is not a good option, but we suggest their analysis is flawed. While demolish and build could be an option it is very expensive because of asbestos. It suggests other staff use the building, but any renovation would have to deal with the asbestos at similar costs. In fact unless it continues to be used for volunteer groups, any other use of the building or land will be costly. The Gazette also said continued use would somehow delay the Downtown Area Redevelopment Plan. Yet developers aren't lining up to build downtown, even the Grandin Mall development has been indefinitely delayed. Thus, lets make efficient use of the space now before another 10 years passes.

During the election campaign candidates spoke to the need for efficiency improvements and their concerns about our tax levels. This is an opportunity to make a decision that increases the efficiency of an existing city building, provides for future space needs, and is the lowest cost alternative.

5. Scott Hennig Visit

During its April 26th meeting, the St. Albert Taxpayers Association was pleased to host, as guest speaker, Scott Hennig, National Communications Director and Alberta Director of the Canadian Taxpayers Federation (CTF). The CTF (www.taxpayer.com) is a national not-for-profit citizen's group dedicated to lower taxes, less waste and accountable government. Founded in Saskatchewan in 1990, the organization has over 60,000 supporters nation-wide.

Mr. Hennig spoke primarily about building membership, and offered tips on implementing focused strategies and improving the group effectiveness. Advocacy organizations like ratepayer groups must continue to work behind the scenes to provide information to elected officials and the public at large.

Elections represent a major hurdle for taxpayers associations and Mr. Hennig was pleased to see that SATA was still going strong since its formation.