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MEDIA RELEASE

RE: 2019 BUDGET

On December 4, 2018, Council for the Town of Vermilion approved the 2019 Operating and Capital Budget. Council focused on a “status-quo budget” in response to an environment of low assessment growth, and continued planning for the replacement of aging infrastructure. One major item in the capital budget is the replacement of the Sewer Treatment Plant, due to its age and inability to meet new requirements of Alberta Environment. This new plant and its treatment process will have a significant impact on operating costs, but will greatly enhance the quality of the effluent entering the Vermilion River ecosystem. Council will also continue to encourage sustainability in local business, as well as to develop and find new ways to grow the local economy.

The municipal tax levy is projected to be approximately \$5,282,602 which represents a 2% increase to both residential and non-residential tax rates. This increase is contingent upon receiving Alberta Utilities Commission (AUC) approval for franchise fee changes which are projected to generate an additional \$100,000 in revenue for the Town. Based on the anticipated tax rates change, the average residential property will see a monthly increase of about \$4 excluding the effects that market value may have on their assessment and any changes to the Provincial school requisitions. The final assessment data and the school requisition amounts which the Town collects on behalf of the Province are not yet available and have been included as status quo from 2018.

The utility rate changes include the water consumption rates decreasing by 2.1%, and the flat rate increasing by 3.5%. The sewer rate structure will experience changes in 2019 to reflect the anticipated treatment and infrastructure costs for the new facility. A new consumption rate of \$1.45/m³ will be introduced and tied to water usage and the flat rate of \$9.31 will be used to cover the collection system. The recycling rate on utility bills will remain the same as 2018 as will the garbage rates, however a new organics collection program will be



introduced at no additional cost to residents.

Council and administration will continue to examine costs and explore all opportunities to improve the financial position of the municipality. Any resulting adjustments that arise will be incorporated when the tax rate bylaw is enacted in April of 2019.

Sample Property Tax calculations for Municipal tax portion only (no school requisition):

Taxes on a **Residential Property** with an attached garage, 30yr old, approx. 1,250 ft²

2018 Assessment 300,000	2018 Taxes levied	\$1,611.00
2019 Assessment 300,000	2019 Taxes levied	<u>\$1,643.00</u>
	Increase	\$32.00 or 2%

Taxes on a **Residential Property** with an attached garage, 5yr old, approx. 1,500 ft²

2018 Assessment 418,090	2018 Taxes levied	\$2,245.00
2019 Assessment 418,090	2019 Taxes levied	<u>\$2,290.00</u>
	Increase	\$45.00 or 2%

Taxes on a **Commercial Property**:

2018 Assessment 461,480	2018 Taxes levied	\$4,038.00
2019 Assessment 461,480	2019 Taxes levied	<u>\$4,119.00</u>
	Increase	\$81.00 or 2%

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