

To: Councillor Gullekson  
 Cc: Council  
 From: Matthew Goudy, CAO  
 Date: November 19, 2019

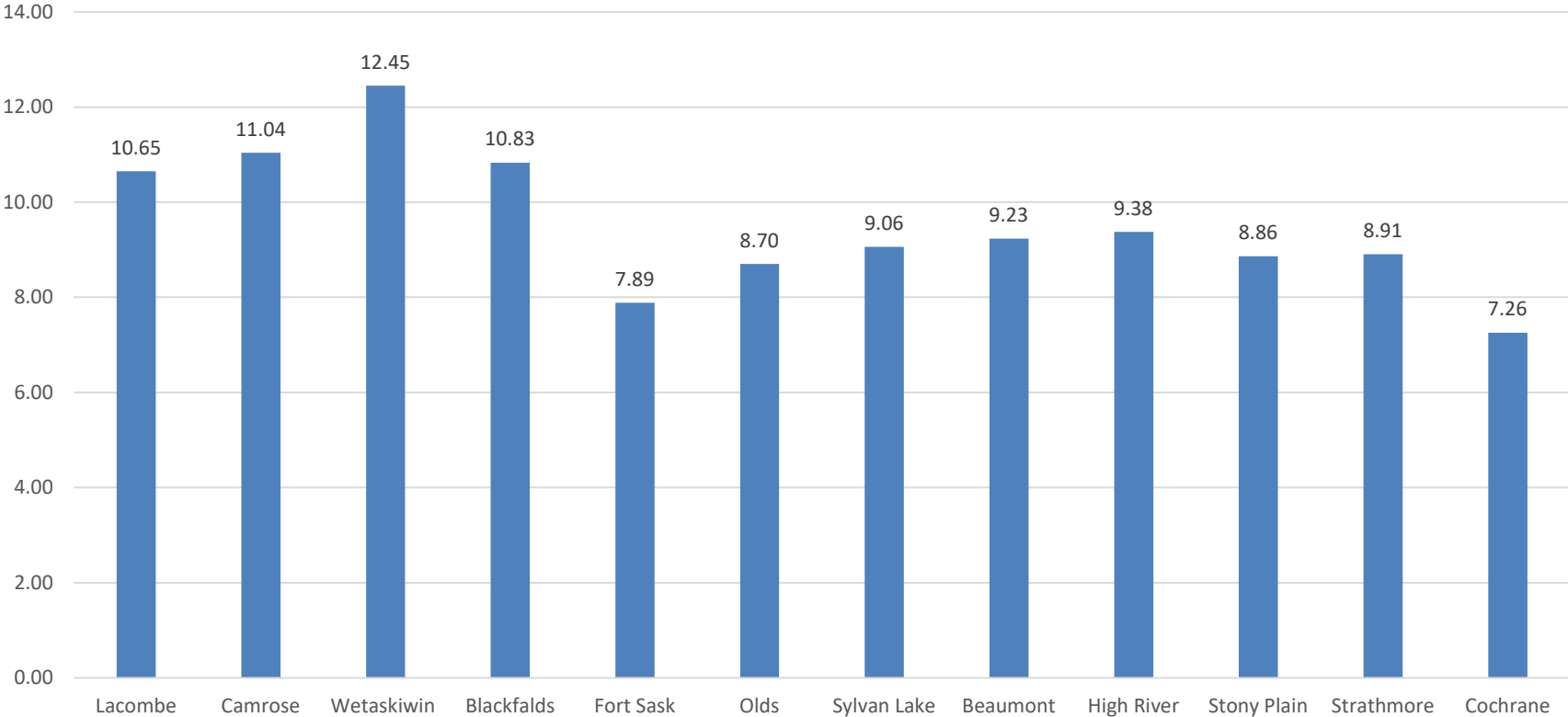
**Reference: 11/154/2019-300**

## RE: Comparator Tax Rates

Thank you for questions regarding tax rates in comparable municipalities. The City's adopted comparators have an average non-residential composite tax rate of 0.952% of assessed value, with a range of 0.726% to 1.245%. This compares to the City of Lacombe at 1.065% of assessed value.

	Lacombe	Camrose	Wetaskiwin	Blackfalds	Fort Sask	Olds	Sylvan Lake	Beaumont	High River	Stony Plain	Strathmore	Cochrane
<b>Tax Rate</b>												
<b>Residential</b>	7.9193	8.3374	9.6101	8.1435	5.2700	5.9414	5.7440	6.4110	6.6892	4.3230	6.0990	4.6896
Education	2.6688	2.6911	2.6376	2.6200	2.5290	2.5116	2.6400	2.5197	2.5727	2.6820	2.7340	2.5301
Other Foundations	0.0615	0.0093	0.1998	0.0646	0.0890	0.2495	0.1229	0.0262	0.1144	0.0510	0.0740	0.0364
Protective Services										1.7100		
Tri Municipal Leisure Center										0.0940		
Recreation							0.3634					
Transportation							0.1869					
Allowance and Requisition												
Administrative Recoveries								0.0263				
Library Requisition								0.2488				
<b>Total Residential Tax Rate</b>	<b>10.65</b>	<b>11.04</b>	<b>12.45</b>	<b>10.83</b>	<b>7.89</b>	<b>8.70</b>	<b>9.06</b>	<b>9.23</b>	<b>9.38</b>	<b>8.86</b>	<b>8.91</b>	<b>7.26</b>

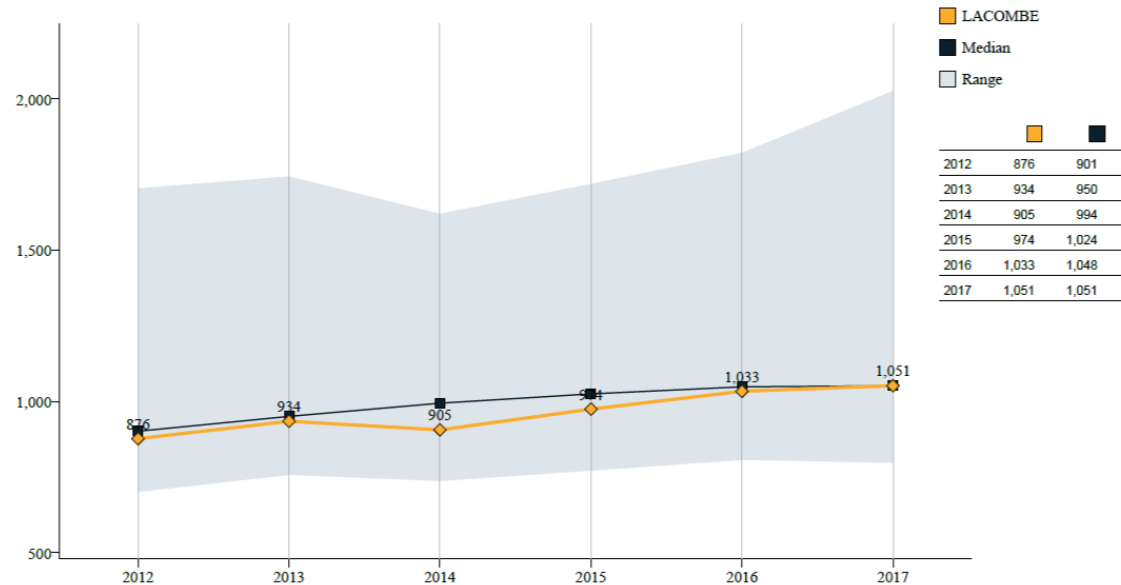
### Total Residential Tax Rate



Property tax rates can be difficult to compare directly between communities, because they rely on both the mill rate (above), and the assessment of property, which can vary significantly between communities. In 2017, the Provincial government released the Financial Indicators Graphs, which includes a comparison of tax revenue per capita. I believe this to be a much better comparison, because the services delivered in each community are generally comparable – therefore the costs per capita should also be similar. As you can see, in 2017 (the most recent year available), Lacombe’s tax revenue of \$1,051 equals the median of our comparators exactly. It should be noted that the municipal graphs include total tax revenue (i.e. residential and non-residential), and a few additional municipalities beyond the City’s adopted comparators, including Cold Lake, Brooks, Morinville, Whitecourt, Banff, Taber, and Edson.

**Financial Indicator Graphs**  
**LACOMBE**

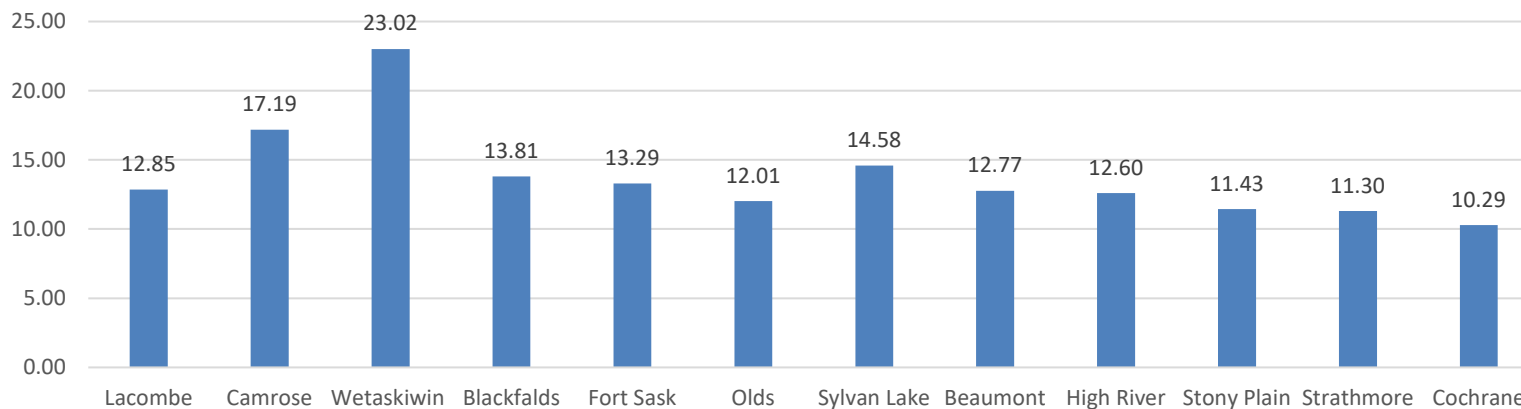
**Revenue Sources Per Capita: Net Municipal Property Taxes**



For non-residential property, the City of Lacombe’s rate of 1.285% is slightly below our comparators, at 1.376%, as shown in the following chart and graph.

	Lacombe	Camrose	Wetaskiwin	Blackfalds	Fort Sask	Olds	Sylvan Lake	Beaumont	High River	Stony Plain	Strathmore	Cochrane
<b>Tax Rate</b>												
<b>Non Residential</b>	8.8870	13.3002	19.1748	9.9235	9.4755	8.1285	10.1730	9.0271	8.6960	5.4180	7.2890	6.6426
Education	3.8972	3.8733	3.6422	3.8200	3.7240	3.6367	3.7330	3.4406	3.7512	3.7270	3.9370	3.6096
Other Foundations	0.0615	0.0151	0.1998	0.0646	0.0890	0.2495	0.1229	0.0262	0.1487	0.0510	0.0740	0.0364
Protective Services										2.1430		
Tri Municipal Leasure Center										0.0940		
Recreation							0.3634					
Transportation							0.1869					
Allowance and Requisition												
Administrative Recoveries								0.0263				
Library Requisition								0.2488				
<b>Total Non Residential Tax Rate</b>	<b>12.85</b>	<b>17.19</b>	<b>23.02</b>	<b>13.81</b>	<b>13.29</b>	<b>12.01</b>	<b>14.58</b>	<b>12.77</b>	<b>12.60</b>	<b>11.43</b>	<b>11.30</b>	<b>10.29</b>

Total Non Residential Tax Rate



Please let me know if you would like to discuss this matter further.

Sincerely,

A handwritten signature in black ink, consisting of a series of vertical, slightly wavy lines that form a dense, scribbled shape, with a large, sweeping loop underneath.

Matthew Goudy, P.Eng  
Chief Administrative Officer