



Mayor and Council
Town of Canmore
Canmore, AB

December 20, 2011

Dear Mayor and Council;

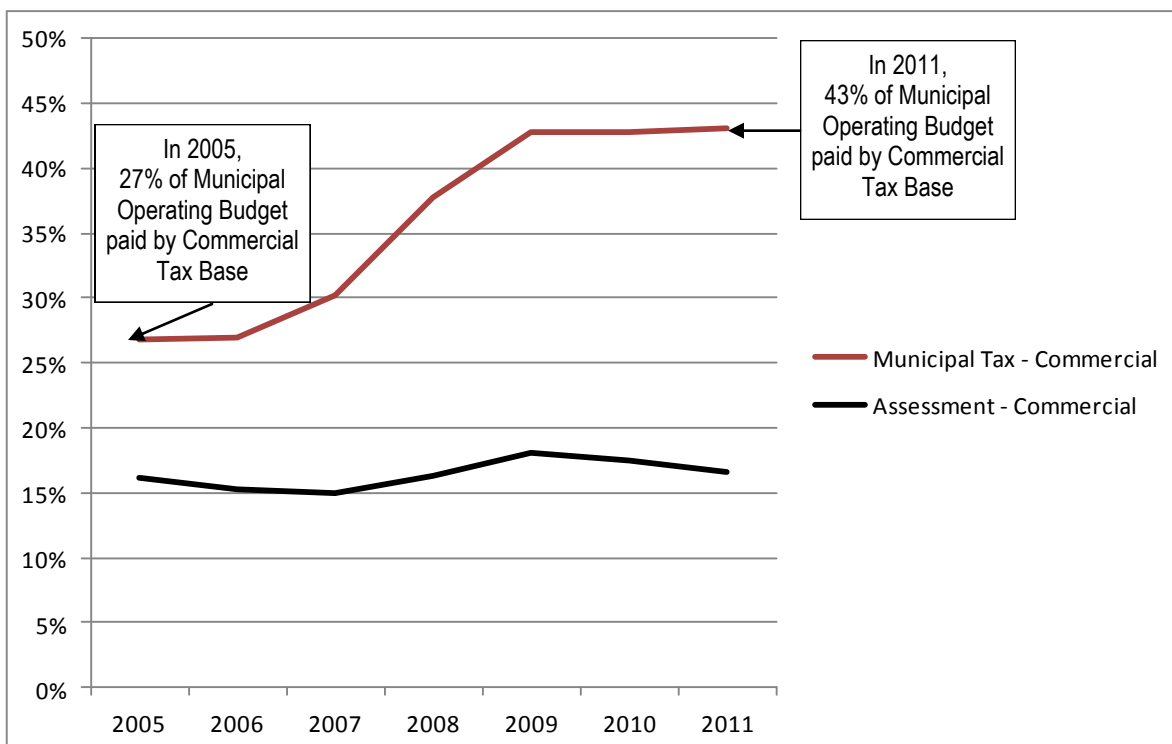
Re: Residential / Commercial Mill Rate

Thank you for the opportunity to present our concerns to you last Tuesday morning at the Committee of the Whole meeting. We appreciate the questions and comments that you posed after the presentation.

One of the comments from Council was that we should not include the Education Tax component in the discussion because the Town has no control over the requisition from the Province for the Education Tax. We understand that the Province requisitions the funds based on the Equalized Assessment formula, and we understand that our requisition is higher than many other towns of our size. (Note that we met with the Town's Finance Department to confirm that the numbers used in the spreadsheet presented to Council were correct).

Council's suggestion of not including the Education Tax requisition in the overall discussion of Taxation and Mill Rates accentuates the point that we are trying to make. Specifically, if we focus only on what the Town has control over - the Municipal Budget, then we see that the Commercial Tax Base has been significantly subsidizing the Residential Tax Base.

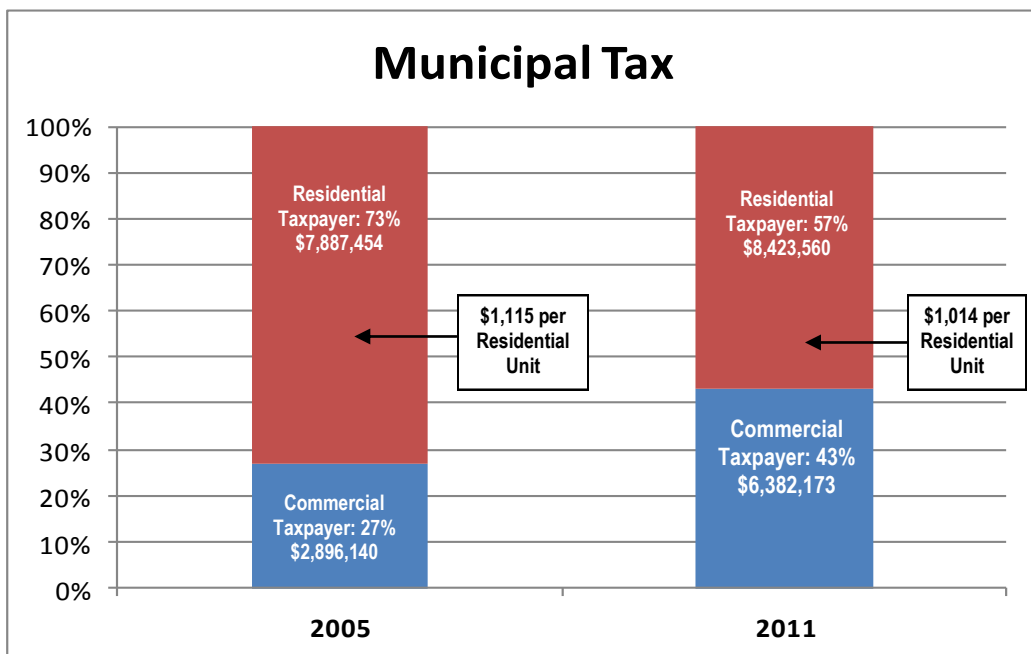
The following graph indicates that although the Commercial Assessment base has stayed relatively constant, the increase in Municipal Taxes paid has been significant.



From 2005 to 2011, the contribution from the Commercial Tax Base towards the Municipal Operating Budget has increased significantly, from 27% to 43% of the total Municipal Operating Budget. The flip side of the coin is that during this period the contribution by the Residential Tax Base has decreased from 73% to 57% of the Municipal Operating Budget.

In terms of dollars, to satisfy the Operating Budget in 2005, the Town was collecting \$7.9 million in Residential taxes and \$2.9 million in Commercial taxes. In 2011, the Town is collecting \$8.4 million in Residential taxes, but the amount of Commercial taxes has doubled to \$6.4 million.

This increased reliance on the Commercial Tax Base to fund the Municipal Operating Budget is during a time when we have added 1,231 new residences and 3,067 new residents (permanent and non-permanent). In 2005 the Town collected an average of \$1,115 per residential unit to support the Municipal Budget. In 2011 the Town collected an average of \$1,014 per residential unit to support the Municipal Budget ¹. The cost per residential unit has decreased, whereas the total Commercial Tax collected has more than doubled.



We emphasize that we understand that the Province requisitions the Town for the Education Tax, and that the Town has no control over this. However when setting the Mill Rates in early 2012, we ask that Council consider that there has been an increased reliance on the Commercial Tax Base to subsidize the Residential Tax Base for a number of years.

Signed on behalf of BOWDA, CEDA, and BRZ,

Ron Remple
Executive Director
BOWDA

Footnote 1.

	2005	2011
Residential Taxes collected for Municipal Operating Budget	\$7,887,454	\$8,423,560
# Residential Units (Municipal Census)	7,072	8,303
= Residential Tax collected per Residential Unit	\$1,115.31	\$1,014.52