

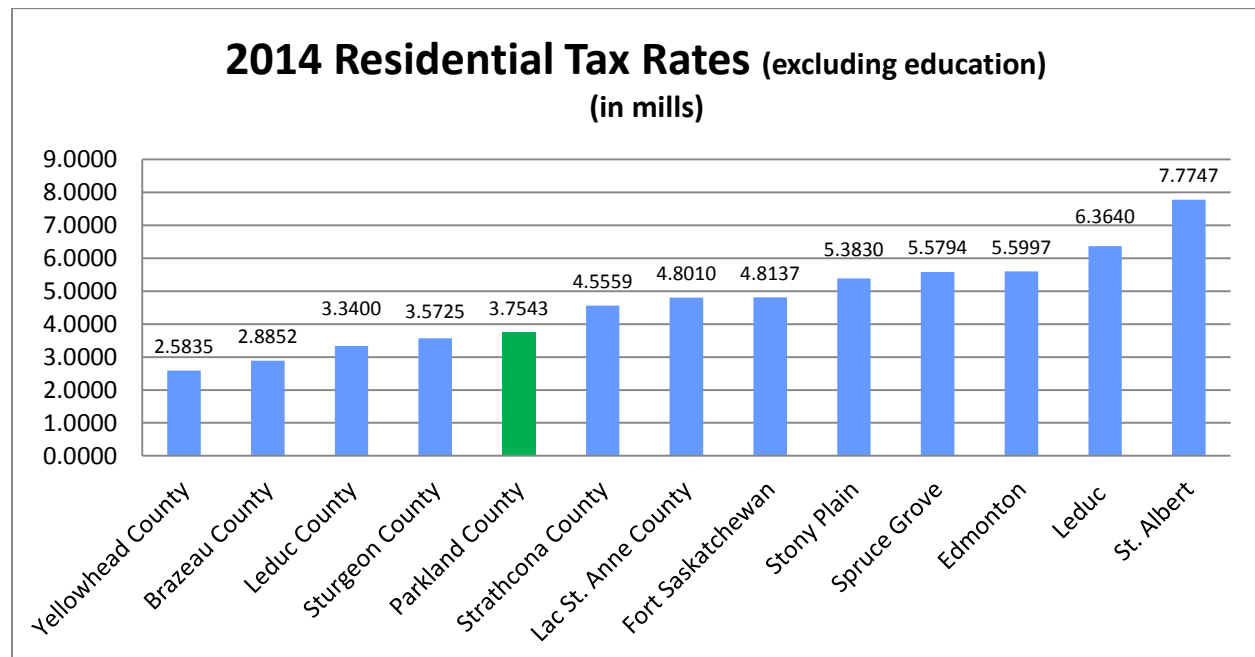
Tax Rate Analysis

An economy that shows signs of healthy growth is a positive indicator for a municipality and for the businesses and residents that reside within the municipality. That being said, growth does drive inflation and inflation drives increased costs. Simply stated as growth increases the demand for products and services increases resulting in the cost of those same products and services increasing. As a result, if a municipality wants to provide the same level of service to residence as the prior year, the increase in the tax rate should mirror the increase in the inflation rate.

Key indicators quantify the impact of inflation on the cost of an item over a period of time. As noted in the Budget Philosophy, Statistics Canada reported that inflation in Alberta from March 2013 to March 2014 was 3.9%¹. The City of Edmonton forecasted a Municipal Inflation Rate of 3.22% for 2015². These inflation rates are also supported by the Economic Outlook which forecasts a greater demand for services and an increase in the cost of providing those services. Considering all of these factors, we suggest the tax rate keeps pace with the forecasted municipal rate of inflation at 3.22%.

Municipal Tax Rate Comparison

Each year Parkland County administration compiles information on the tax rates set by other municipalities in the region. The following charts illustrate how Parkland County's tax rates compare to these municipalities.

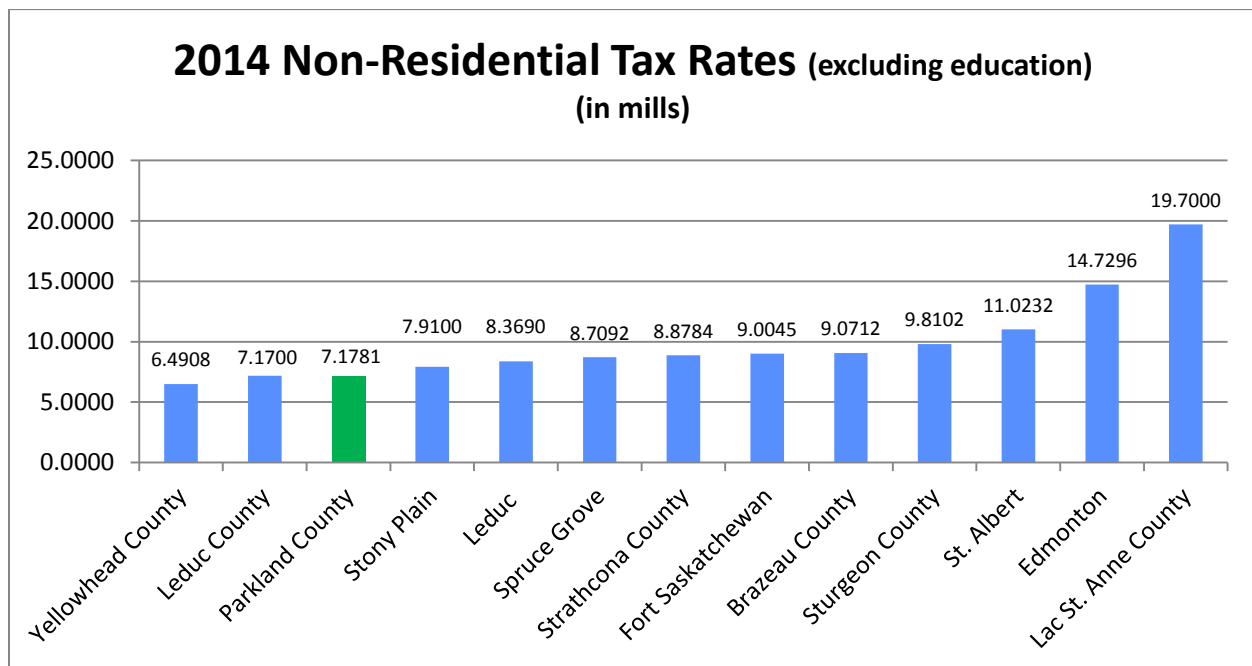


¹ <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/cpis01j-eng.htm>

² http://www.edmonton.ca/business_economy/documents/City_of_Edmonton_MPI_2013.pdf

Parkland County continues to remain the fifth lowest residential tax rate of the other twelve municipalities listed. Please keep in mind different levels of service dictate the amount of taxes required by the municipality. Because of Parkland County's proximity to Edmonton, and the number of residential subdivisions in the County, the range and level of service expected is higher than some of the smaller and more "rural" municipalities such as Yellowhead and Brazeau County.

Municipalities such as Sturgeon County, Leduc County, and Lac St. Anne County have a significantly higher farmland tax rate than their residential tax rate. This ranges from 2.2-3.7 times higher than the residential tax rate thus allowing them to offer a more competitive residential tax rate.



Parkland County has moved from the second lowest to the third lowest non-residential tax rate of the other twelve municipalities listed. While Parkland County was lower than Leduc County last year the 2014 rate for Leduc County is very close to that of Parkland County with a difference of only 0.0081mills. Again, different levels of service dictate the amount of taxes required by the municipality. Some municipalities charge their non-residential taxpayers a significantly higher premium.

It is important that Parkland County monitor these rates to ensure that the County remains competitive and also maintains a balance between residential and non-residential taxes.