

ALBERTA MUNICIPAL WATCH REPORT

Property Tax Fairness
and Trends in
Operating Spending



July 2021



CANADIAN FEDERATION
OF INDEPENDENT BUSINESS

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Alberta Municipal Watch Report

Trends in municipal operating spending & property tax fairness

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Introduction

For over a decade, the Canadian Federation of Independent Business (CFIB) has tracked operating spending and property tax fairness across Alberta's municipalities. This report analyzes municipal spending trends and the property tax fairness ratio in Alberta's 17 largest municipalities (by population) from 2010 to 2020.

Alberta's Economy

Small businesses are a major contributor to Alberta's economy. Alberta has 160,920 small businesses (those with 1–99 employees) that account for 98 per cent of all businesses in the province.¹ Small businesses are an integral part of the local economy, but they are struggling with the impacts of the COVID-19 pandemic and economic recovery. Throughout the entire pandemic, Alberta has posted the highest rates of small businesses at risk of closure² at 19 per cent and greatest level of COVID-19 accumulated debt³ of \$246,000 per business. This can be attributed to the fact Alberta small businesses were dealing with a prolonged economic downturn prior to the pandemic. Between 2014 and 2019, Alberta was the only major province with a negative average annual growth rate of –0.4 for small businesses.⁴ This reality, compounded with the impacts of the pandemic means Alberta small businesses face an uphill battle to economic recovery and not taking on additional costs or tax increases will be critical to their survival.

CFIB's Monthly Business Barometer® regularly reports on small business owners' confidence and outlook on the economy. The Barometer® is used by reputable financial institutions in Canada including Bloomberg, the Bank of Canada and Scotiabank. Tracked against the Gross Domestic Product (GDP), the Barometer® index closely reflects what is currently happening in the economy. Index levels normally range between 65–70 when the economy is growing at its potential.

Since 2014, Alberta small business confidence has seen significant declines, with lows of 26.5 index points in March 2016 and 26.2 index points in March 2020 when the first pandemic business restrictions were imposed. Throughout the last five years, Alberta small business confidence has fluctuated and remained well below 60 points (see Figure 1). With the reopening of the economy now under way, small business confidence is starting to look up. The 3-month barometer outlook currently sits at 53.7 index points while the long-term outlook sits at 68.5 index points.

¹ Innovation, Science and Economic Development Canada (2020), *Key Small Business Statistics*, http://www.ic.gc.ca/eic/site/061.nsf/eng/h_03126.html.

² CFIB, Canadian Businesses and jobs at risk due to COVID-19: Winter 2021 Estimate, January 2021, <https://content.cfib-fcei.ca/sites/default/files/2021-01/Businesses-and-jobs-at-risk-due-to-COVID19.pdf>.

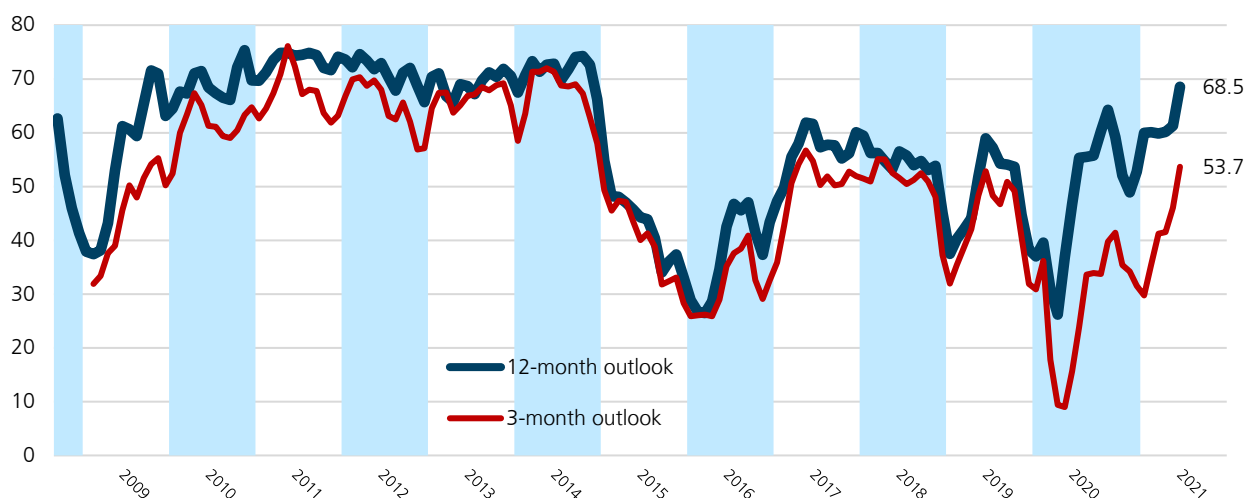
³ CFIB, Your Voice Survey – May 2021, May 6–31, 2021, AB n=371.

⁴ Ibid.

Figure 1

Alberta Monthly Business Barometer®

Index (0-100)



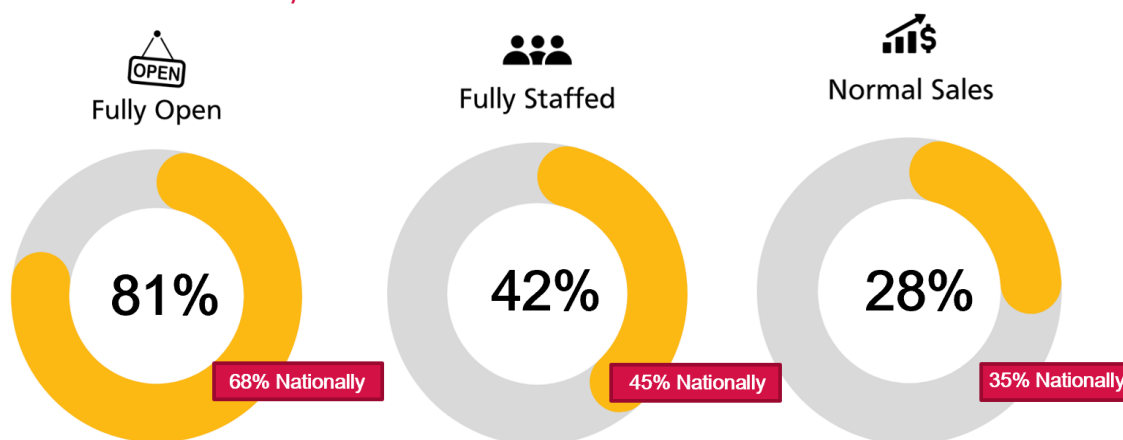
Source: CFIB Alberta Business Barometer®, June 2021.

State of Alberta Small Business

According to CFIB's latest [Small Business Recovery Dashboard](#), while 81 per cent of Alberta small businesses are now fully open, only 28 per cent are making normal sales (see Figure 2).

Figure 2

Alberta small business recovery dashboard



Source: CFIB, Your Voice Survey – July 2021, July 8-14, 2021, n(AB) = 325, n(CAN) = 2,674.

The economic repercussions of the pandemic are of greatest concern to Alberta small businesses, followed by reduced consumer spending and business cash flow (see Figure 3). Nearly half (48%) of Alberta small businesses are also concerned about debt, which is not

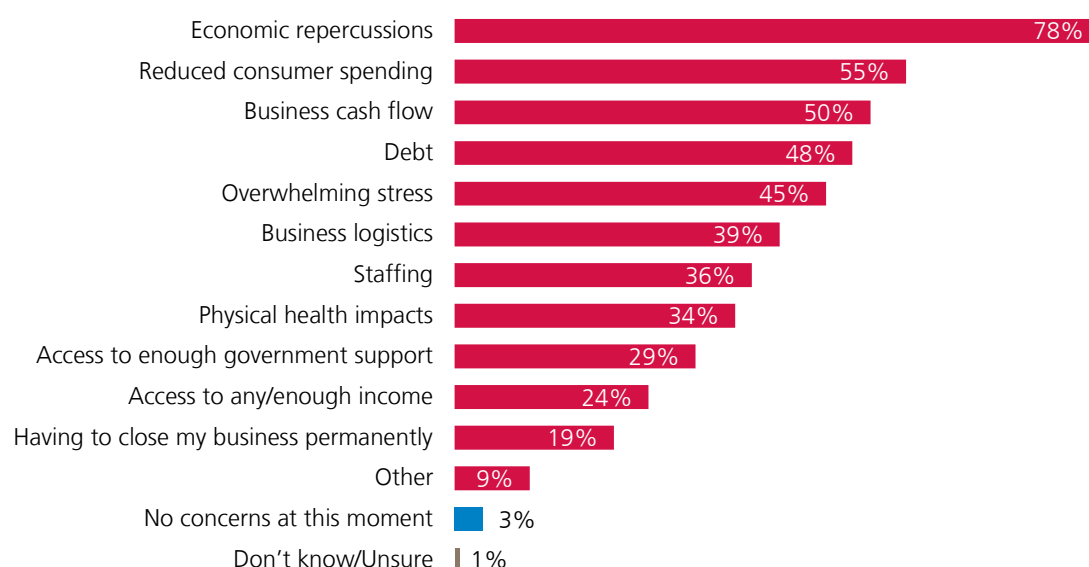
surprising considering the average COVID-19 related debt an Alberta small business owner has accumulated is \$246,000.⁵ In total, Alberta small businesses owe an estimated \$21 billion in COVID-19 related debt,⁶ which will take years for them to pay back.

“We are a small business and have managed to stay operational throughout the pandemic. Increasing taxes and other costs that affect small businesses would be catastrophic to our communities. We need municipal and provincial assistance, encouragement, and money...”

- Construction company, Calgary⁷

Figure 3

Top concerns of Alberta small businesses



Source: CFIB, Your Voice Survey – June 2021, June 3-10, 2021, n(AB) = 547.

Why are property taxes a concern for small business owners?

Property taxes are a large cost for small businesses, which is why they rank first for what business owners want their local government to improve on to help their business succeed (see Figure 4). Rising property taxes can stifle small business growth with some business owners having to delay expanding their business or hire additional employees. It has also led some small business owners to consider moving, while others worry they will be forced to close their business completely. Property taxes can be especially harmful to small businesses because they are profit *insensitive*. That is, the tax amount is owed regardless of what revenue a small business generates and whether it is profitable or not. This has proven to be especially

⁵ CFIB, Your Voice Survey – May 2021, May 6-31, 2021, n(AB)= 371.

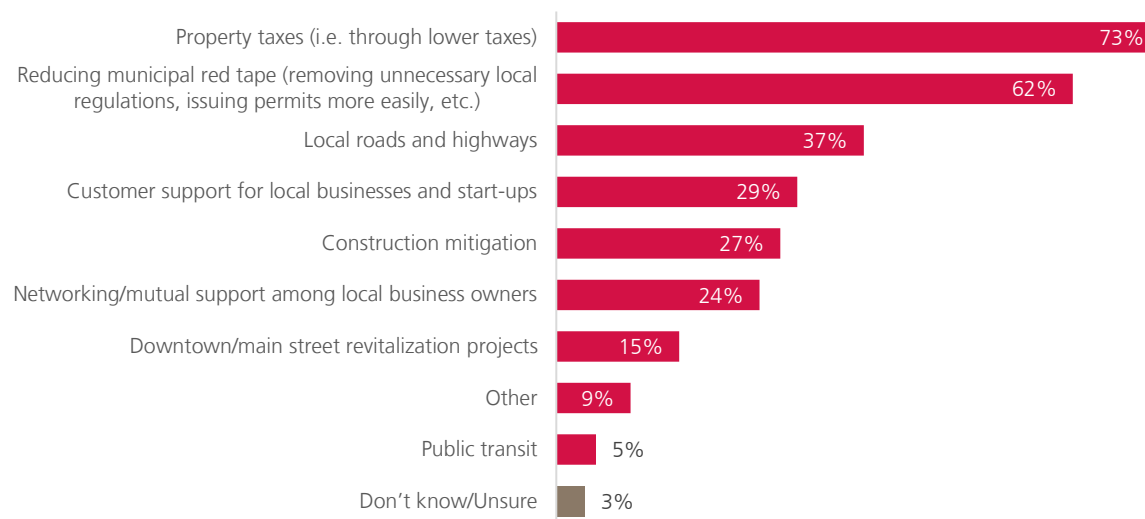
⁶ Ibid.

⁷ For more member comments on property taxes, see Appendix B.

problematic during the pandemic when many small businesses were completely closed and brought in little- to- no revenue, but still had to pay property taxes.

Figure 4

In the municipality where your business is located, which of the following areas would you like to see improved to help your business succeed? (Select as many as apply)



Source: CFIB, Alberta Municipal Survey, May 27-June 28, 2021, n = 839.

In Alberta, municipalities are required by provincial legislation to balance their budgets each year and are unable to run deficits. Municipalities decide how much tax revenue is needed to operate for the year and set a taxation level for each property classification to collect enough to cover their operating spending. Once municipalities have decided how much revenue to collect from each property classification, taxes are levied according to property assessments.

“Property tax increases are unsustainable. Businesses will relocate to adjoining municipalities if taxes are not reined in. This will ultimately result in reduced tax revenue for the city, and they will respond by raising taxes, creating a disaster for small business.”

-Motorsport retailer, Edmonton⁸

By collecting property taxes municipal governments provide many essential services that benefit citizens and create economic environments that support small businesses. Unsustainable spending directly results in property taxes increases for commercial and residential taxpayers. However, unsustainable spending is especially harmful to small businesses because of the disproportionate share of property taxes they pay. Therefore, property tax fairness is a concern for small businesses and must be addressed by municipalities. Moving forward, the focus of municipal governments must be economic

⁸ For more member comments on property taxes, see Appendix B.

recovery and ensuring small businesses are not burdened with new costs or property tax increases at a time when they are struggling to survive and recover.

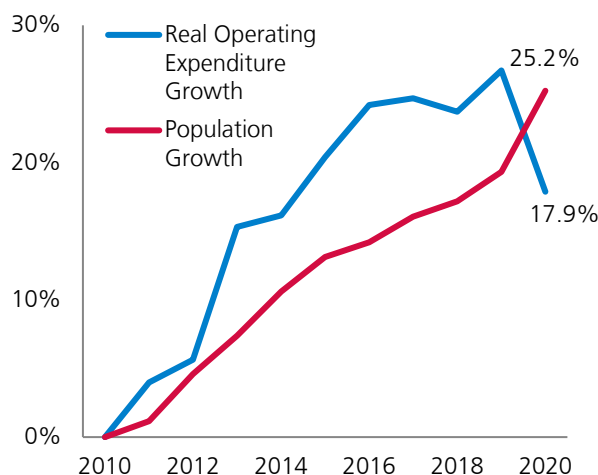
Part I: Municipal Spending Trends

Monitoring municipal spending trends highlights how municipal decisions impact small businesses. It also provides an opportunity for municipalities to reflect on how they can become more efficient and reduce the tax burden on businesses and residents. After over a decade of examining municipal spending, one trend has remained constant: real operating spending growth has consistently remained above the sustainable level of population growth.⁹

Operating spending refers to municipal expenses associated with day-to-day functions, including things such as: employee salaries and benefits, utilities, and interest on long-term debt. Operating spending excludes capital expenditures and amortization. From 2010 to 2018, real operating spending has consistently outpaced population growth in nearly every municipality across Alberta (see Figures 5 and 6). However, this trend has begun to change. In 2020, 15 out of the 17 largest municipalities saw a decrease in real operating spending per capita compared to 2019 because of the pandemic.

Figure 5

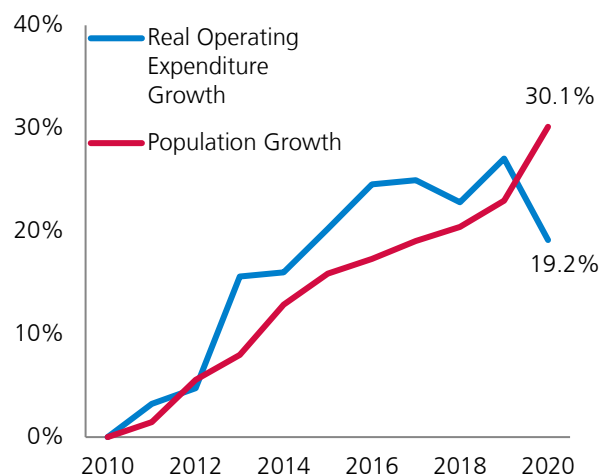
Alberta Real Operating Spending and Population Growth, 2010-2020



Source: CFIB calculations, Municipal Affairs, Alberta Government, 2010-2020.

Figure 6

Alberta's 17 Largest Municipalities Real Operating Spending and Population Growth, 2010-2020



Source: CFIB calculations, Municipal Affairs, Alberta Government, 2010-2020.

⁹ Real operating spending refers to operating spending that has been adjusted for inflation.

Spending in Alberta's 17 Largest Municipalities

Alberta's 17 largest municipalities were ranked according to sustainable spending trends from 2010–2020. The rankings assigned to each municipality are based on two metrics: real operating spending per capita growth from 2010–2020, and 2020 operating spending per capita. Table 1 lists Alberta's 17 largest municipalities according to their rank, from best (most sustainable spending) to worst (least sustainable spending) (see Appendix C for year-over-year operating spending vs. population growth).

Table 1

Alberta's 17 Largest Municipalities (ranked best to worst)

Municipality	Rank	2010-2020 Real Operating Spending Growth per Capita (%)	2010-2020 Real Operating Spending Growth (%)	2010-2020 Population Growth (%)	2020 Operating Spending per Capita (\$)
Cochrane	1	-32.0%	41.2%	107.5%	1,452
Lloydminster	2	-15.7%	52.2%	80.4%	1,928
Airdrie	3	-3.8%	83.0%	90.1%	1,585
Okotoks	4	0.1%	36.8%	36.7%	1,530
Spruce Grove	5	-3.4%	52.7%	58.0%	1,886
Calgary	6	-11.7%	12.2%	27.1%	2,317
Grande Prairie	7	-10.1%	24.2%	38.1%	2,272
Edmonton	8	-8.5%	22.4%	33.9%	2,322
Fort Saskatchewan	9	-5.2%	41.3%	49.0%	2,245
St. Albert	10	-0.3%	14.9%	15.3%	2,243
Red Deer	11	-2.1%	15.9%	18.5%	2,340
Leduc	12	1.6%	49.2%	46.9%	2,595
Lethbridge	13	6.0%	24.0%	16.9%	2,527
Rocky View County	14	15.4%	36.5%	18.4%	2,274
Strathcona County	15	11.9%	31.2%	17.2%	3,066
Parkland County	16	48.0%	57.6%	6.5%	2,077
Regional Municipality of Wood Buffalo	17	-9.9%	9.8%	21.9%	4,629
Average	-	-8.4%	19.2%	30.1%	2,383

Source: CFIB calculations, Municipal Affairs, Alberta Government, 2010-2020.¹⁰

¹⁰ See appendix for the spending trends in all Alberta municipalities.

Key Findings:

- Cochrane was the best performing municipality in 2020, a continuation of its performance in 2019. Cochrane decreased its per capita operating spending by 32 per cent between 2010 and 2020 while seeing the greatest population growth (107.5%) of any municipality.
- Lloydminster and Airdrie were the second and third best performing municipalities in 2020. Between 2010 to 2020, both municipalities kept real operating spending growth below population growth. Airdrie saw the greatest growth in real operating spending (83.0%) of the 17 municipalities analyzed, but its spending growth still came in below its population growth (90.1%) for the same period.
- Every municipality saw an increase in population between 2010 to 2020.
- The average real operating spending per capita in 2020 was \$2,383. Cochrane reported the lowest per capita operating spending (\$1,452) while the Regional Municipality of Wood Buffalo reported the highest (\$4,629).
- The Regional Municipality of Wood Buffalo was the worst performing municipality in 2020. Although its real operating spending growth decreased between 2010 and 2020, its per capita operating spending is roughly double that of all other municipalities. The Regional Municipality of Wood Buffalo has suffered through several environmental disasters between 2010 and 2020, most notably the 2016 wildfires, 2020 floods and the pandemic in that same year. These events continue to affect the community.
- Calgary and Edmonton improved on their 2017 rankings of 11th and 10th, respectively, placing 6th and 8th in 2020.¹¹

Lack of clarity and transparency in reporting: Full-time employees

The budget item that forms the largest percentage of municipal operating spending is “wages, salaries, and benefits”. If municipalities were to reduce spending in this category it would have a significant effect on overall operating spending.

Alberta’s Ministry of Municipal Affairs requires municipalities to provide information on the number of Full-Time Employees (FTEs) employed by the city on an annual basis. This data is readily available for 2017 and reflected in Figure 4.1 of the [10th Edition of CFIB’s Spending Watch Report](#). However, at the time of this report, many municipalities across the province did not report their 2020 FTE count to the provincial government, which can likely be attributed to the pandemic. Accurate municipal FTE data is important as it holds governments accountable in their hiring and spending decisions while also providing transparency to taxpayers.

Analyzing FTE data can be difficult because municipalities often define FTEs differently than the province and, as such, the provincial reporting might not account for all FTEs in a municipality. CFIB recommends the Alberta government work with municipalities to establish a single definition for FTEs and call on all Alberta municipalities to annually disclose the number of FTEs.

¹¹ CFIB, Alberta Municipal Spending Watch Report, 10th Edition: Trends in Operating Spending, 2007-2017, <https://content.cfib-fcei.ca/sites/default/files/2019-10/FINAL%20report%20-%20municipal%20spending%20watch%20report.pdf>.

Part II: Property Tax Fairness

What does property tax fairness look like?

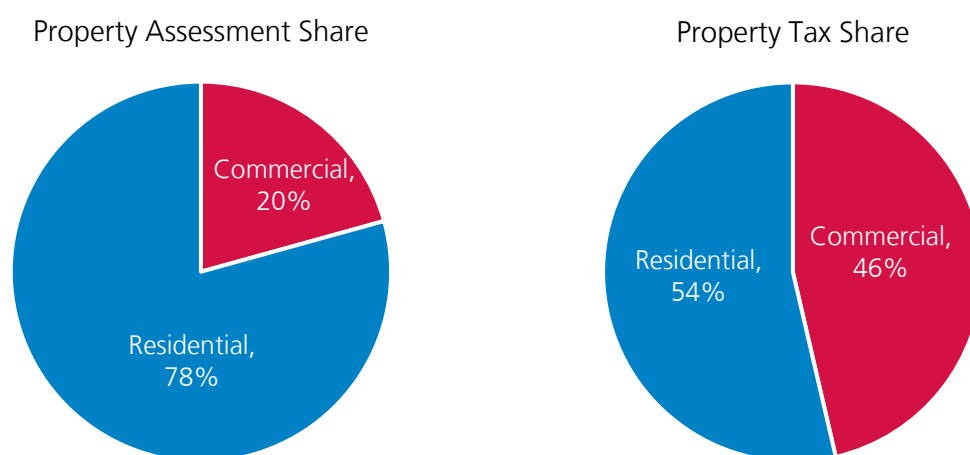
Small businesses are greatly impacted by the spending decisions of municipal governments because they pay a disproportionate share of property taxes in their community. The “property tax fairness ratio” is a measure of the difference of what commercial properties are assessed at versus the share of property taxes that commercial properties pay. The property tax fairness ratio for each municipality is calculated by dividing the commercial property tax share by the commercial property assessment share. It is important to understand that the property tax fairness ratio is not an indication of the level of taxation, but rather the distribution of the property tax burden on commercial property owners.

Interpreting the property tax fairness ratio:

- A fairness ratio of 1 indicates equal treatment for businesses and residents, where commercial and residential property owners pay a portion of the total property tax share equal to their share of the total property assessment.
- A fairness ratio less than 1 indicates favourable treatment for businesses, where the commercial portion of the property tax share is less than the commercial portion of the property assessment share.
- A fairness ratio greater than 1 indicates unfavourable treatment for businesses, where the commercial portion of the property tax share is greater than the commercial portion of the property assessment share.

Figure 7

Calgary: Business Share of Total Property Taxes vs. Business Share of Total Property Assessment (2020)



Source: CFIB analysis of Alberta Government published property tax rates 2010-2020. See Appendix A - Methodology for details.

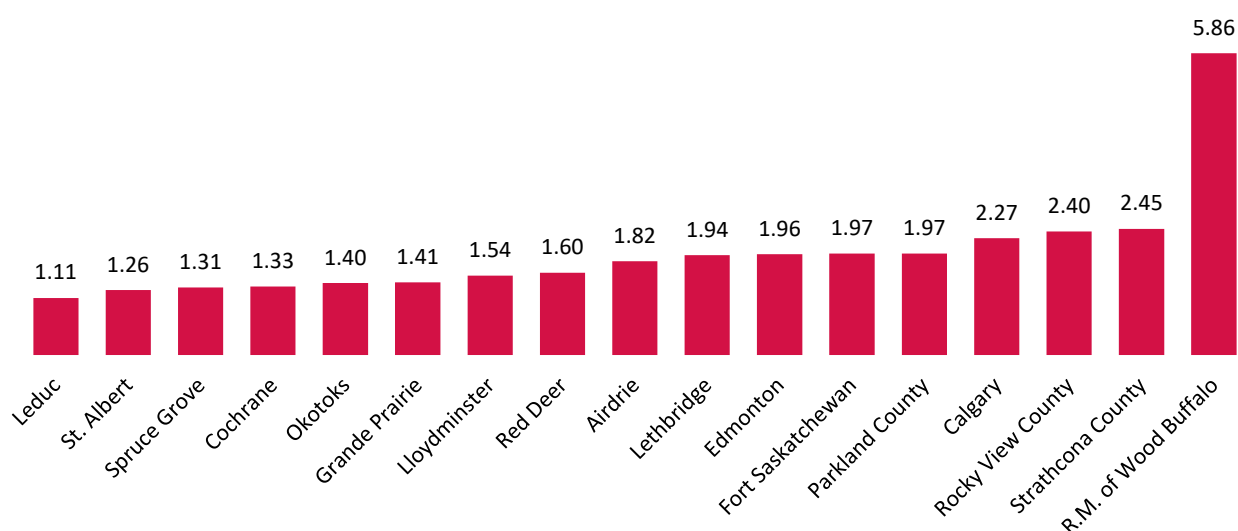
Note: Numbers do not add to 100% as the farmland and machinery and equipment property classifications are not included in the analysis.

A property tax fairness ratio of 1 is rare amongst municipalities. Businesses typically pay a much higher proportion of municipal property taxes than the proportion of assessed property they represent. For example, businesses in Calgary make up only 20 per cent of the property assessment share in the city, yet they are responsible for paying nearly half (46%) of Calgary's property taxes (see Figure 7). This leads to a 2.27 property tax fairness ratio (46% divided by 20%) in Calgary.

To ensure small businesses succeed and thrive, municipalities must find a better balance between the commercial and residential share of property taxes. In Figure 8 property tax fairness ratios across Alberta's 17 largest municipalities are shown and compared against one another.

Figure 8:

Property tax fairness ratio in Alberta's 17 largest municipalities, 2020 (ranked best to worst)



Source: CFIB analysis of Alberta Government published property tax rates 2010-2020. See Appendix A - Methodology for details.

The property tax fairness ratio varies greatly across the province (see Table 2). Findings show the average property tax fairness ratio in 2020 was 1.98, a slight increase from 1.84 in 2019 and an increase of 11.7 per cent from 2010's ratio of 1.71. Some municipalities place a much larger property tax burden on businesses relative to their share of the total assessment value, while others appear to have a much more balanced and fair property tax system.

Table 2:

2020 Alberta Municipal Tax Fairness Ratio (ranked best to worst)

	Commercial Tax Share	Commercial Assessment Share	Property Tax Fairness Ratio	Fairness Ratio: Ten Year Change	Rank
Leduc	37.2%	33.5%	1.11	-20.8%	1
St. Albert	18.5%	14.7%	1.26	-17.7%	2
Spruce Grove	22.7%	17.4%	1.31	-12.5%	3
Cochrane	13.2%	9.9%	1.33	-5.9%	4
Okotoks	18.5%	13.2%	1.40	19.8%	5
Grande Prairie	42.4%	30.1%	1.41	-7.7%	6
Lloydminster	42.4%	27.5%	1.54	-2.3%	7
Red Deer	39.1%	24.4%	1.60	-10.8%	8
Airdrie	26.3%	14.4%	1.82	10.4%	9
Lethbridge	35.7%	18.4%	1.94	-10.9%	10
Edmonton	45.8%	23.4%	1.96	4.5%	11
Fort Saskatchewan	35.8%	18.2%	1.97	29.0%	12
Parkland County	41.3%	20.9%	1.97	-1.2%	13
Calgary	46.4%	20.5%	2.27	9.0%	14
Rocky View County	42.5%	17.7%	2.40	-16.9%	15
Strathcona County	38.7%	15.8%	2.45	48.9%	16
Regional Municipality of Wood Buffalo	86.7%	14.8%	5.86	213.2%	17
Average	37.2%	19.7%	1.98	13.4%	-

Source: CFIB analysis of Alberta Government published property tax rates 2010-2020. See Appendix A - Methodology for details.

Key findings:

- Leduc ranks first with a property tax fairness ratio of 1.11 – meaning the municipality has near fair property tax treatment between businesses and residents.
- The Regional Municipality of Wood Buffalo ranks in last place, with a property tax fairness ratio of 5.86. This is significantly higher than any other major municipality and means commercial property owners pay nearly 6 times more than their portion of the assessment share. The Regional Municipality of Wood Buffalo has suffered through several environmental disasters between 2010 and 2020, most notably the 2016 wildfires, 2020 floods and the pandemic in that same year. These events continue to affect the community.
- Between 2010 to 2020, Leduc saw the greatest decrease in its fairness ratio (20.8% reduction), followed by St. Albert (17.7% reduction).
- Leduc has the highest commercial tax share at 33.5 per cent, followed by Grande Prairie (30.1%).
- Edmonton and Calgary ranked 11th and 14th in 2020.
- The Regional Municipality of Wood Buffalo, Strathcona County, Rocky View County, and Calgary were the only municipalities with a fairness ratio over 2.0 in 2020.

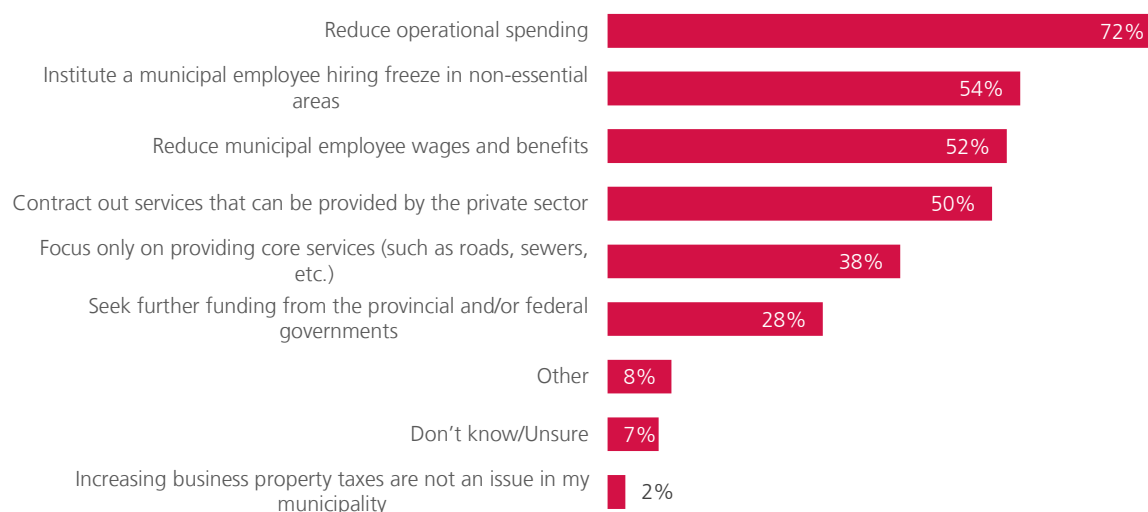
Conclusion & Recommendations

In this year's report, CFIB identified two trends: municipalities are spending unsustainably, and businesses are shouldering a disproportionate share of property taxes. While some municipalities have done a good job at addressing this issue, more political leadership is needed to reduce and address property taxes.

As we look toward economic recovery a strong majority (93%) of Alberta small businesses say not imposing new or increasing costs should be a priority for municipal governments.¹² Additionally, addressing municipal property taxes is the top priority for small business.¹³ In order to address increasing property taxes, Alberta small business believe municipalities must reduce operating spending, implement hiring freezes in non-essential areas, reduce municipal employee wages, and contract out services that can be provided by the private sector (see Figure 9).

Figure 9:

How should your municipal government address increasing business property taxes? (Select as many as apply)



Source: CFIB, Alberta Municipal Survey, May 27-June 28, 2021, AB n=734.

CFIB will continue to monitor municipal spending and changes in property tax fairness to see if Alberta's municipalities are committed to economic recovery and supporting small business. With the 2021 Alberta municipal elections on October 18, 2021, there is an opportunity for

¹² CFIB, Alberta Municipal Survey, May 27-June 28, 2021, AB n=736.

¹³ CFIB, Alberta Municipal Survey, May 27-June 28, 2021, AB n=839.

incoming mayors and councillors to make a commitment to property tax fairness and sustainable spending. CFIB recommends the following to municipal governments:

1. **Engage in sustainable spending practices:** Limit year-over-year operating spending growth to no more than inflation and population growth.
2. **Reduce property taxes:** Property taxes can be reduced through restraint in municipal operating spending and finding internal efficiencies.
 - Cost savings should include limiting spending in several areas, such as: the scope of government to core services, aligning public sector wages, salaries and benefits to their private sector equivalents, and contracting out services.
 - Municipal employee wages make up one of the largest line items in municipal budgets. Municipal governments should limit their number of full-time employees.
3. **Strive for property tax fairness:** First, municipalities should establish clear short- and long- term goals to achieve property tax fairness (i.e., a 1:1 fairness ratio). Second, municipalities must introduce and implement a policy that improves the tax fairness ratio over time (i.e., set a specific goal with a specific timeline to bring the ratio down over 4 to 8 years).
4. **Reduce municipal red tape and improve transparency:** Reducing red tape is a low-cost way for municipalities to support small business. A majority (62%) of small businesses say reducing municipal red tape will help them succeed.¹⁴ To improve transparency, municipalities should establish a single definition of FTEs and annually disclose hiring information to the public.
5. **Work with the provincial government:** While municipal governments have the power to control their own spending and property taxes, the provincial government should also make it a priority to work with municipalities to address rising property taxes.

¹⁴ CFIB, Alberta Municipal Survey, May 27-June 28, 2021, AB n=839.

Appendix A: Methodology

Trends in Municipal Operating Spending

This report analyzes Alberta municipal operating spending from 2010 to 2020. An eleven-year rolling average for operating spending analysis is used because elected municipal officials serving consecutive terms have control over budgets during this period. Only Alberta's largest municipalities with a population of 25,000 and over are analyzed to provide a thorough snapshot of municipal spending throughout the province.

Municipal rankings are based on two factors: real operating spending per capita growth from 2010–2020, and 2020 operating spending per capita which are equally weighted. Alberta's largest 17 municipalities were first ranked on each factor independently, then were given a score from 0 to 100 for each factor based on this ranking. These two scores are then equally weighted to create a total score that is ranked against the other municipalities and determines each municipality's ranking.

To isolate operating spending, capital related costs were carefully subtracted from each municipality's spending totals. Prior to 2009, capital spending was reported separately from operating spending. However, from 2009 to 2013 there was an accounting change and capital costs were identified as amortization of capital assets. As only a few municipalities operate their own gas and electric utilities, any spending on these items after 2009 was also excluded from the operating spending calculations to allow for consistency.

Unless otherwise indicated, the revenues and expenditures data in this report was obtained from the Alberta Ministry of Municipal Affairs while population data was obtained from the Alberta Treasury Board and Finance. For Lloydminster, the 2019 population data for the entire municipality was used, as the 2020 data only reports the Alberta part of the population.

To calculate inflation, Statistics Canada's Consumer Price Index (CPI) measures were used. This report used city-specific CPI measure for Calgary and Edmonton, while the provincial figure was used for all other municipalities.

Property Tax Fairness

Data Sources

The calculations in this report are based on municipal financial and statistical data from the Alberta Ministry of Municipal Affairs, including tax rate and equalized assessment data.¹⁵

¹⁵ Government of Alberta (2019), Municipal Financial & Statistical Data 2013-2018, http://www.municipalaffairs.alberta.ca/municipal_financial_statistical_data, Government of Alberta (2019), Archived Financial Data & Statistics 2009-2012, <https://www.alberta.ca/municipal-finance-overview.aspx#toc-3>.

Property Assessment in Alberta

Both municipal governments and the provincial government levy property taxes in Alberta. While municipal governments determine tax rates in order to generate a specific amount of revenue, the provincial government also levies some property taxes on Albertans (these are often referred to as ‘education property taxes’). Municipalities have no say in the provincial property tax and simply must collect it on behalf of the province. Therefore, this report only examines municipal property taxes and does not include the provincial property tax in analyses or discussions.

In Alberta, properties are assessed in accordance with the Municipal Government Act. The process is based on market value and various other factors, including property details and sales of similar properties recently sold in the same neighbourhood. Municipal property taxes are then levied on the assessed value of the properties.

Municipalities in Alberta assess properties based on a series of property classifications, giving a different mill rate to each class. There are four different classifications for property in Alberta:

- Class 1—Residential
- Class 2—Non-residential
- Class 3—Farmland
- Class 4—Machinery and Equipment

For the purposes of this report, only the residential and non-residential classifications are considered, as this is where much of the tax share is found within each of the 17 municipalities.

Tax Fairness Ratio

Municipalities collect property tax revenues from each of the property classifications. This report examines the amount of property taxes collected from non-residential properties as a percentage of the total municipal property taxes collected and is compared to the amount that commercial properties make-up of the total assessed property value within each municipality. The differential between these two values results in the Property Tax Fairness Ratio.

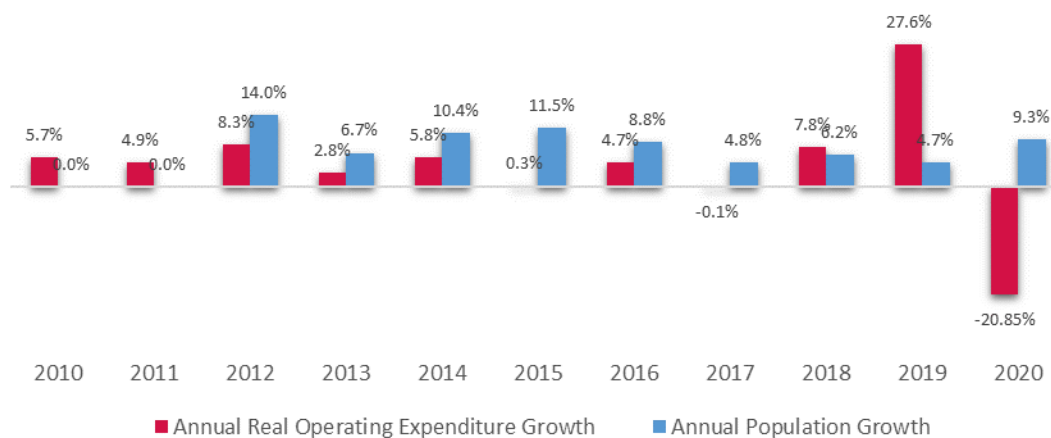
$$\text{Property Tax Fairness Ratio} = \frac{\text{Non Residential Property Tax Share}}{\text{Non Residential Assessment Share}}$$

Appendix B: Alberta small business comments on property taxes

Municipality & Industry	Comments
Calgary (Personal services)	"Property taxes are much too high compared with other municipalities. Since 2013, our taxes have tripled... I have not been able to give my employees a raise in over 5 years because of the increase in rent and taxes. Now that the Alberta's boom has crashed, rent and taxes should go down. During the boom, my rent went up 5% per year."
Calgary (Retail)	"Property tax is the single largest cost increase to my business in 5 years."
Calgary (Retail)	"My property taxes are now the same monthly as they were yearly when I moved into my building 26 years ago. Inflation does not account for this."
Calgary (Retail)	"The business community has been battered by constantly changing COVID restrictions... The issue is not about tax revenue, it is about government spending!"
Edmonton (Unclassified)	"...My business is my income. We are finally seeing some light at the end of this. I should not have to pay extra taxes, or higher taxes, as compared to those who have been able to work the whole time during this pandemic."
Edmonton (Wholesale)	"My business employs 35 people in both Alberta and BC. Property taxes continue to rise and perceived value from the city continues to decline. This last year has especially shown the disparity between private versus public sector employees, and the unfairness is blatant."
Edmonton (Social Services)	"It is tough. Overhead costs have gone up such as gas, utilities, and property tax, while sales and profit margin are way down. We have never had it this tough."
Edmonton (Personal services)	"With all the red tape and increasing property taxes we are looking at closing after 20 years..."
Edmonton (Construction)	"Businesses are closing all around this province. Our property taxes went up yet again this year and services are getting worse..."
Edmonton (Construction)	"Business is down 75-80 per cent. Property taxes and fees, etc. should reflect that too."
Edmonton (Manufacturing)	"Our city is a business, and it should be run like a business. Spending must be monitored and validated. Increased spending should only occur if/where there are no other options... Our company and most small businesses cannot continue to support ever increasing spending."
Edmonton (Manufacturing)	"Property taxes are too high and make owning non-residential property unprofitable. We are considering selling if possible and relocating to another jurisdiction."
Edmonton (Retail)	"Governments at all levels continue to impose higher costs of doing business through increased taxes or red tape and it cannot continue. There seems to be no accountability in the municipal bureaucracy in Edmonton or Calgary."
Wood Buffalo (Wholesale)	"Municipal red tape is very costly and time consuming. Based on today's laws/by-laws I would not open another business in my municipality."
Ohaton (Construction)	"Our taxes are ridiculously high... We have no sewer and water, no streetlights, no signage... nothing to show for \$14,000.00 a year."
Rocky View County (Transportation)	"...Both segments (commercial & residential) need to pay their fair share. Business owners have no way to influence councils. To increase services for voters and hold the line on taxes to voters, businesses are forced to pay. The province tries to make us competitive, and the municipalities negate their effort."

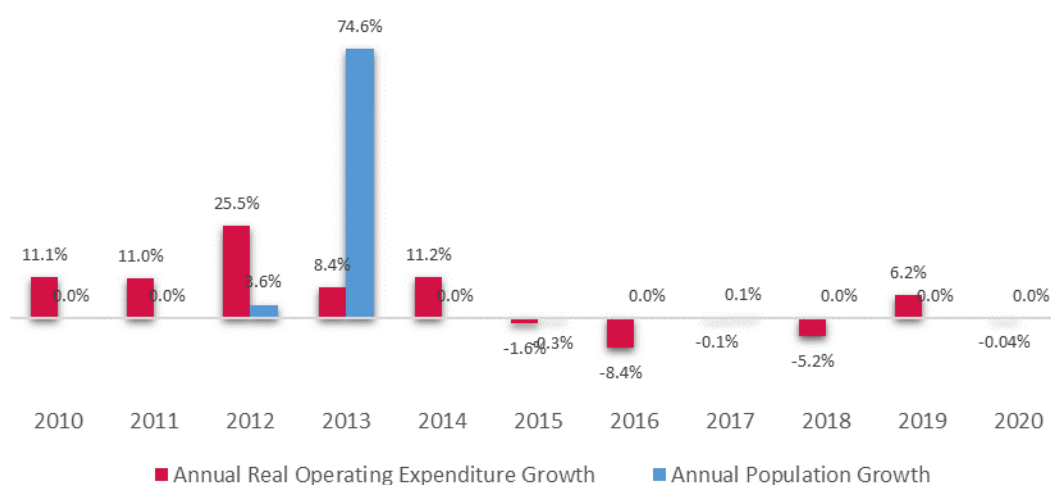
Appendix C: Year-Over-Year Operating Spending vs. Population Growth

Cochrane – Ranked 1st out of 17



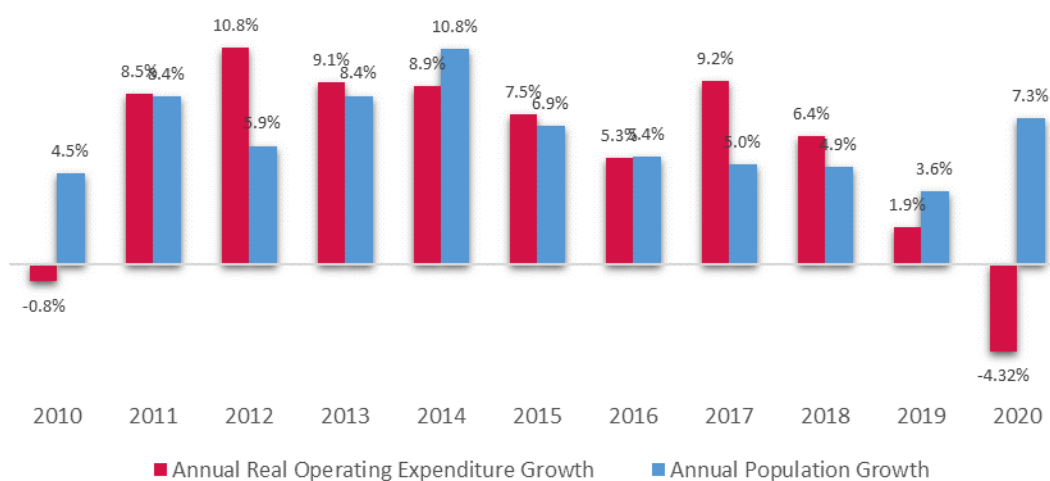
Cochrane	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Real Operating Expenditure Growth	5.7%	4.9%	8.3%	2.8%	5.8%	0.3%	4.7%	-0.1%	7.8%	27.6%	-20.9%
Annual Population Growth	0.0%	0.0%	14.0%	6.7%	10.4%	11.5%	8.8%	4.8%	6.2%	4.7%	9.3%
Nominal Per Capita Spending	\$1,810	\$1,945	\$1,869	\$1,827	\$1,794	\$1,633	\$1,589	\$1,362	\$1,599	\$1,983	\$1,452

Lloydminster – Ranked 2nd out of 17



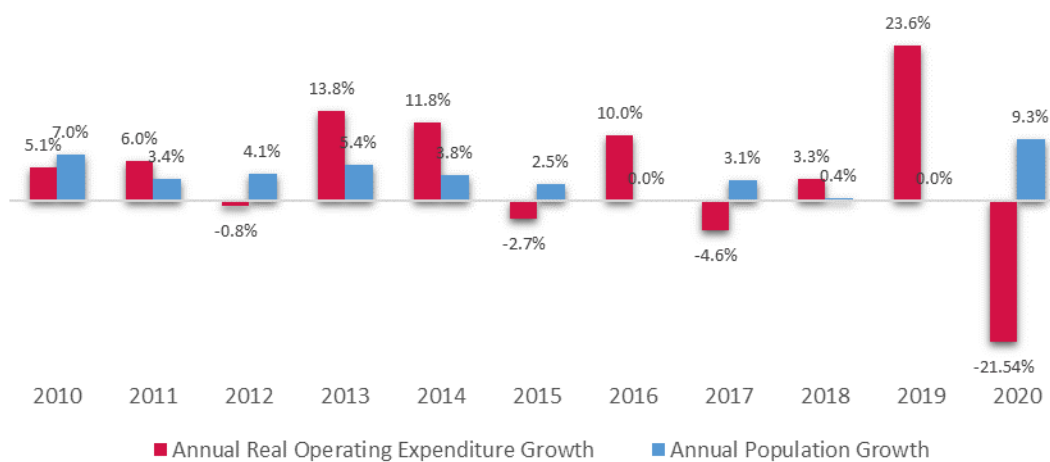
Lloydminster	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Real Operating Expenditure Growth	11.1%	11.0%	25.5%	8.4%	11.2%	-1.6%	-8.4%	-0.1%	-5.2%	6.2%	-0.04%
Annual Population Growth	0.0%	0.0%	3.6%	74.6%	0.0%	-0.3%	0.0%	0.1%	0.0%	0.0%	0.0%
Nominal Per Capita Spending	\$1,939	\$2,206	\$2,701	\$1,700	\$1,939	\$1,935	\$1,793	\$1,610	\$1,765	\$1,908	\$1,928

Airdrie – Ranked 3rd out of 17



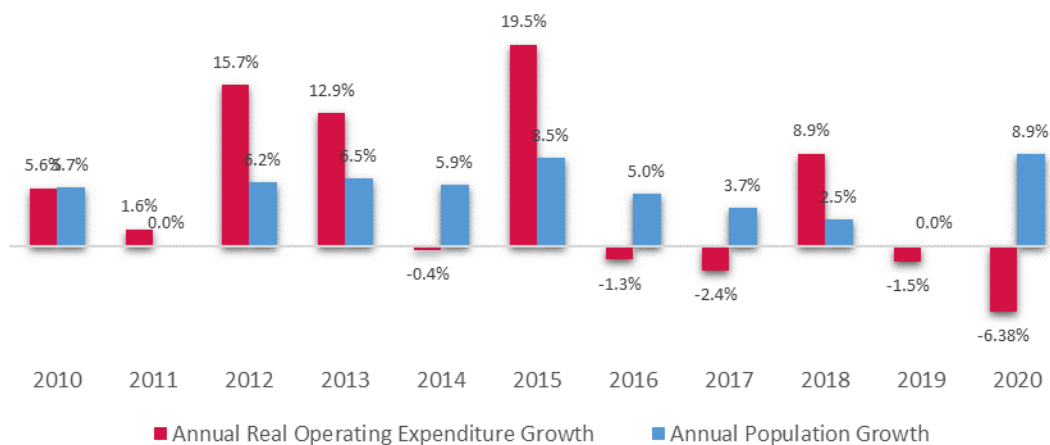
Airdrie	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Real Operating Expenditure Growth	-0.8%	8.5%	10.8%	9.1%	8.9%	7.5%	5.3%	9.2%	6.4%	1.9%	-4.32%
Annual Population Growth	4.5%	8.4%	5.9%	8.4%	10.8%	6.9%	5.4%	5.0%	4.9%	3.6%	7.3%
Nominal Per Capita Spending	\$1,396	\$1,432	\$1,515	\$1,546	\$1,559	\$1,585	\$1,602	\$1,498	\$1,757	\$1,758	\$1,585

Okotoks – Ranked 4th out of 17



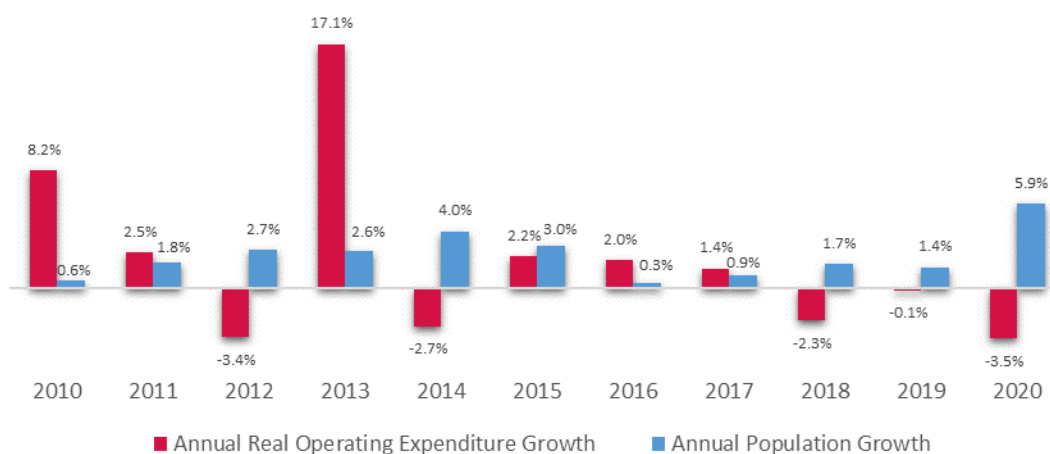
Okotoks	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Real Operating Expenditure Growth	5.1%	6.0%	-0.8%	13.8%	11.8%	-2.7%	10.0%	-4.6%	3.3%	23.6%	-21.54%
Annual Population Growth	7.0%	3.4%	4.1%	5.4%	3.8%	2.5%	0.0%	3.1%	0.4%	0.0%	9.3%
Nominal Per Capita Spending	\$1,296	\$1,362	\$1,312	\$1,436	\$1,586	\$1,522	\$1,692	\$1,409	\$1,676	\$2,108	\$1,530

Spruce Grove – Ranked 5th out of 17



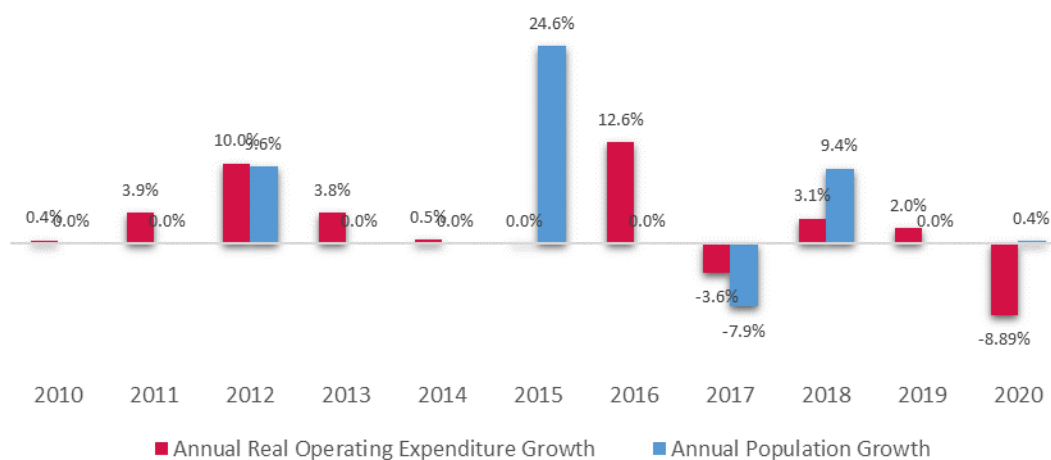
Spruce Grove	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Annual Real Operating Expenditure Growth</i>	5.6%	1.6%	15.7%	12.9%	-0.4%	19.5%	-1.3%	-2.4%	8.9%	-1.5%	-6.38%
<i>Annual Population Growth</i>	5.7%	0.0%	6.2%	6.5%	5.9%	8.5%	5.0%	3.7%	2.5%	0.0%	8.9%
<i>Nominal Per Capita Spending</i>	\$1,654	\$1,722	\$1,897	\$2,039	\$1,967	\$2,191	\$2,081	\$1,762	\$2,165	\$2,169	\$1,886

Calgary – Ranked 6th out of 17



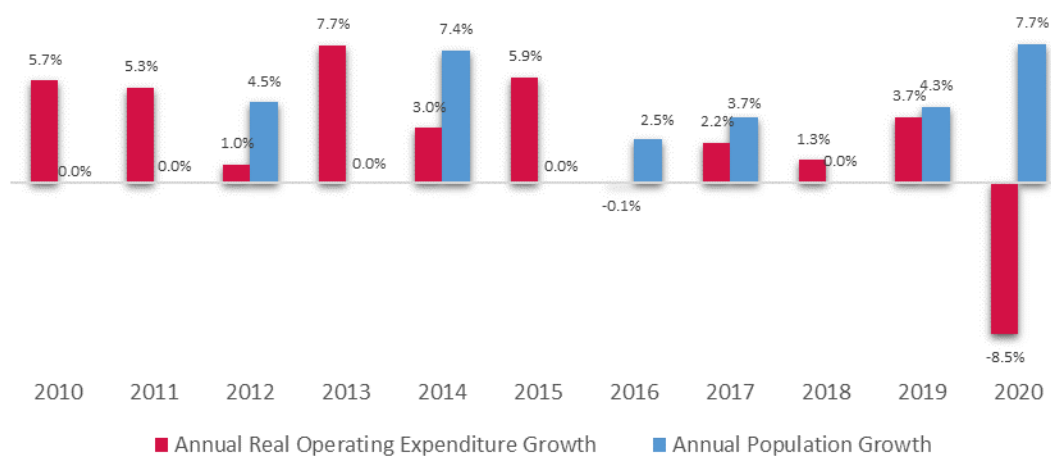
Calgary	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Annual Real Operating Expenditure Growth</i>	8.2%	2.5%	-3.4%	17.1%	-2.7%	2.2%	2.0%	1.4%	-2.3%	-0.1%	-3.5%
<i>Annual Population Growth</i>	0.6%	1.8%	2.7%	2.6%	4.0%	3.0%	0.3%	0.9%	1.7%	1.4%	5.9%
<i>Nominal Per Capita Spending</i>	\$2,225	\$2,290	\$2,175	\$2,523	\$2,434	\$2,445	\$2,508	\$2,268	\$2,520	\$2,516	\$2,317

Grande Prairie – Ranked 7th out of 17



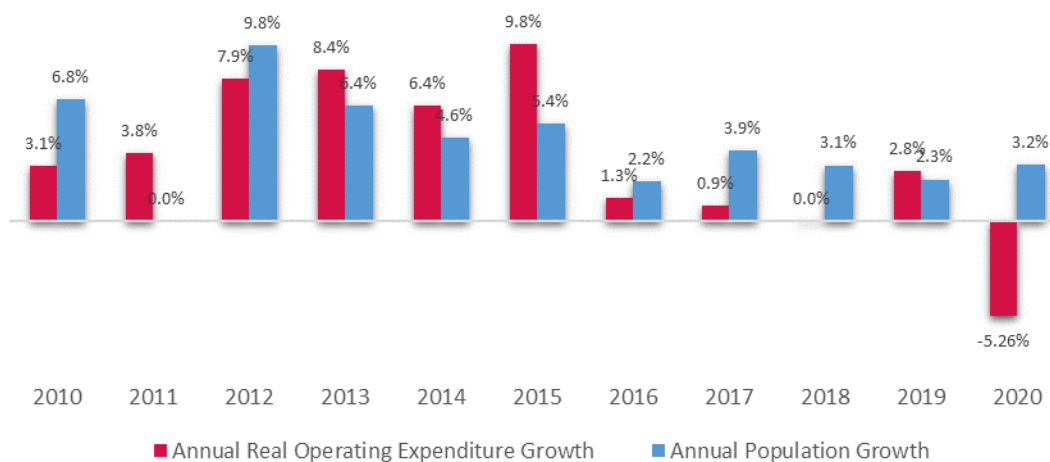
Grande Prairie	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Annual Real Operating Expenditure Growth</i>	0.4%	3.9%	10.0%	3.8%	0.5%	0.0%	12.6%	-3.6%	3.1%	2.0%	-8.89%
<i>Annual Population Growth</i>	0.0%	0.0%	9.6%	0.0%	0.0%	24.6%	0.0%	-7.9%	9.4%	0.0%	0.4%
<i>Nominal Per Capita Spending</i>	\$2,142	\$2,280	\$2,315	\$2,437	\$2,513	\$2,041	\$2,325	\$2,187	\$2,385	\$2,476	\$2,272

Edmonton – Ranked 8th out of 17



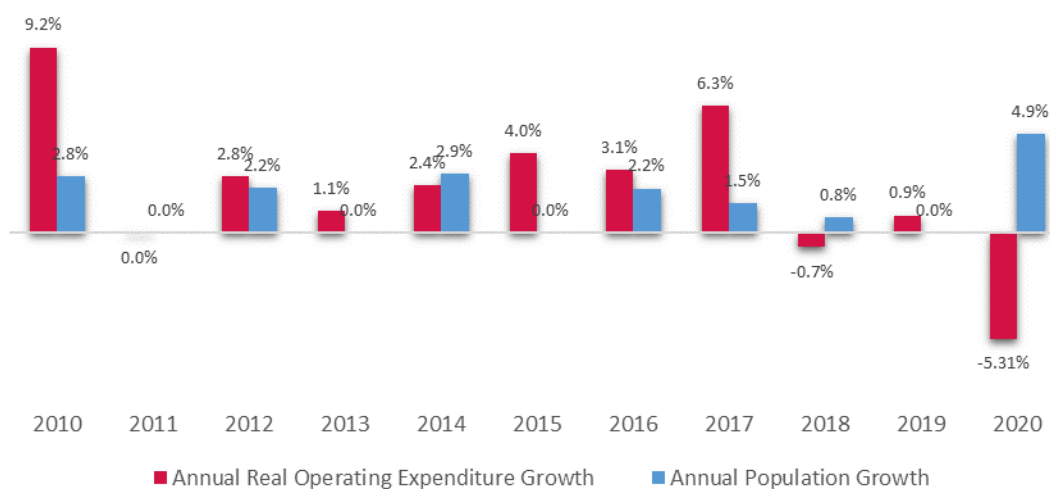
Edmonton	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Annual Real Operating Expenditure Growth</i>	5.7%	5.3%	1.0%	7.7%	3.0%	5.9%	-0.1%	2.2%	1.3%	3.7%	-8.5%
<i>Annual Population Growth</i>	0.0%	0.0%	4.5%	0.0%	7.4%	0.0%	2.5%	3.7%	0.0%	4.3%	7.7%
<i>Nominal Per Capita Spending</i>	\$2,153	\$2,325	\$2,273	\$2,478	\$2,429	\$2,603	\$2,568	\$2,279	\$2,676	\$2,706	\$2,322

Fort Saskatchewan – Ranked 9th out of 17



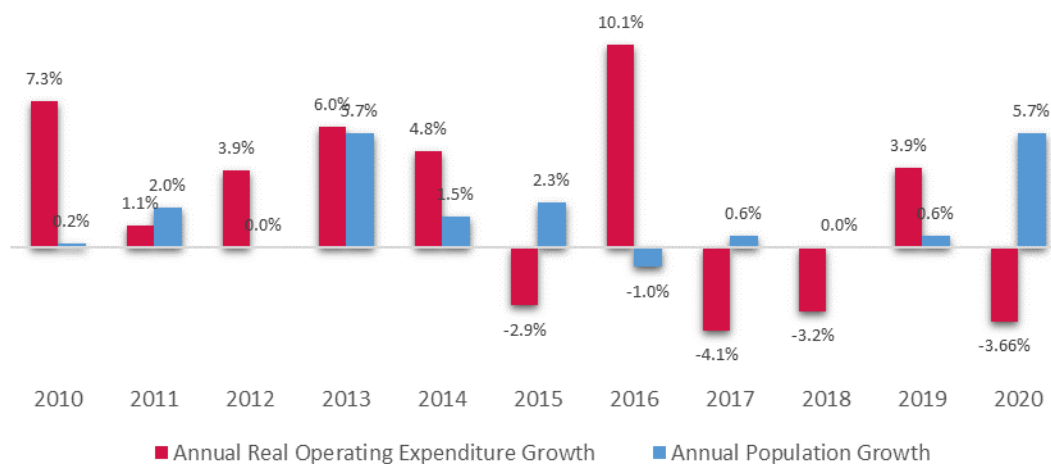
Fort Saskatchewan	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Annual Real Operating Expenditure Growth</i>	3.1%	3.8%	7.9%	8.4%	6.4%	9.8%	1.3%	0.9%	0.0%	2.8%	-5.26%
<i>Annual Population Growth</i>	6.8%	0.0%	9.8%	6.4%	4.6%	5.4%	2.2%	3.9%	3.1%	2.3%	3.2%
<i>Nominal Per Capita Spending</i>	\$2,007	\$2,134	\$2,122	\$2,191	\$2,285	\$2,408	\$2,413	\$2,107	\$2,364	\$2,417	\$2,245

St. Albert – Ranked 10th out of 17



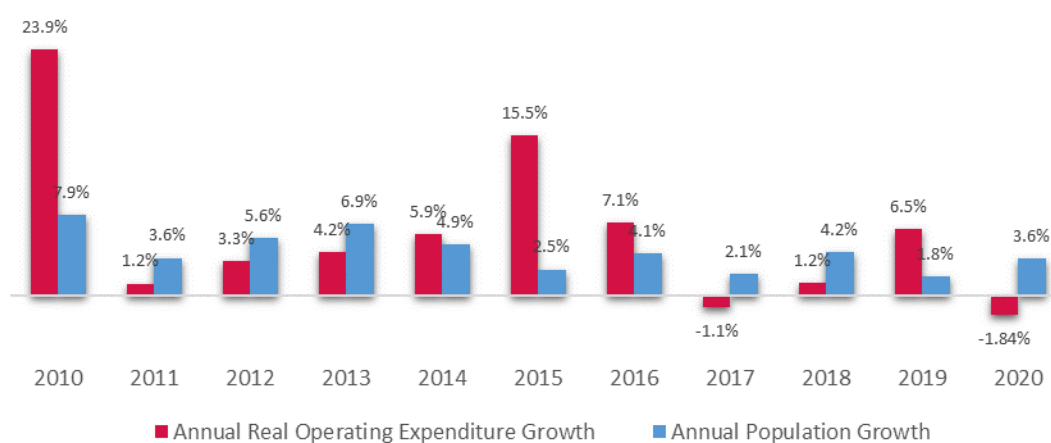
St. Albert	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Annual Real Operating Expenditure Growth</i>	9.2%	0.0%	2.8%	1.1%	2.4%	4.0%	3.1%	6.3%	-0.7%	0.9%	-5.31%
<i>Annual Population Growth</i>	2.8%	0.0%	2.2%	0.0%	2.9%	0.0%	2.2%	1.5%	0.8%	0.0%	4.9%
<i>Nominal Per Capita Spending</i>	\$1,908	\$1,954	\$1,988	\$2,037	\$2,078	\$2,185	\$2,230	\$2,102	\$2,395	\$2,458	\$2,243

Red Deer – Ranked 11th out of 17



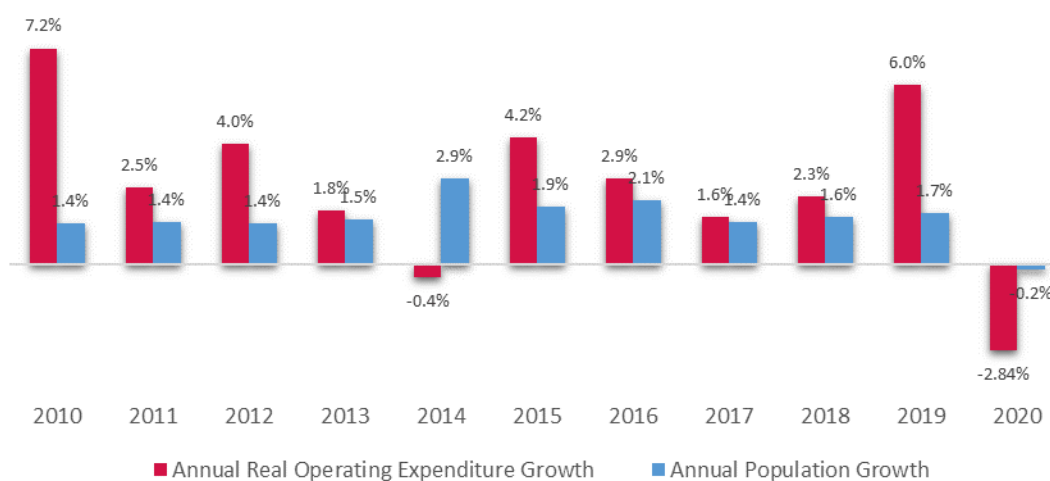
Red Deer	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Real Operating Expenditure Growth	7.3%	1.1%	3.9%	6.0%	4.8%	-2.9%	10.1%	-4.1%	-3.2%	3.9%	-3.66%
Annual Population Growth	0.2%	2.0%	0.0%	5.7%	1.5%	2.3%	-1.0%	0.6%	0.0%	0.6%	5.7%
Nominal Per Capita Spending	\$2,028	\$2,059	\$2,162	\$2,199	\$2,328	\$2,236	\$2,514	\$2,155	\$2,413	\$2,539	\$2,340

Leduc – Ranked 12th out of 17



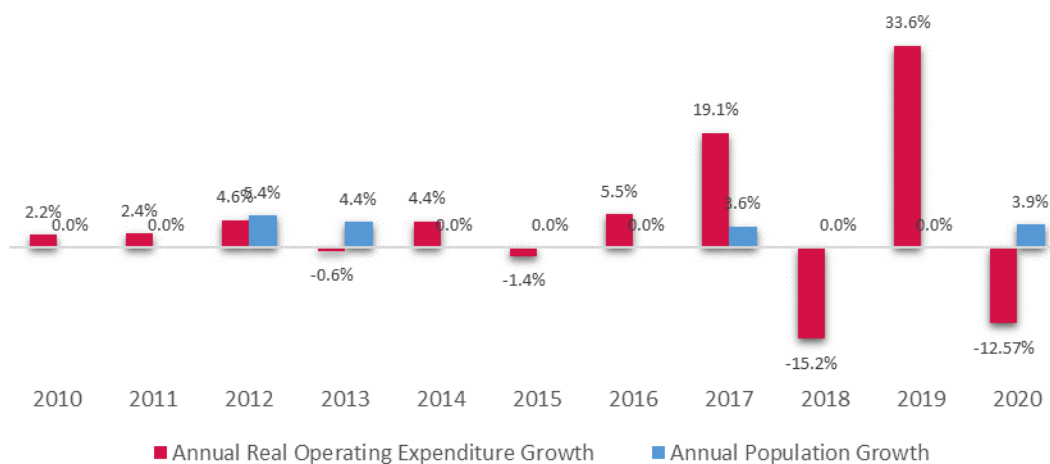
Leduc	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Real Operating Expenditure Growth	23.9%	1.2%	3.3%	4.2%	5.9%	15.5%	7.1%	-1.1%	1.2%	6.5%	-1.84%
Annual Population Growth	7.9%	3.6%	5.6%	6.9%	4.9%	2.5%	4.1%	2.1%	4.2%	1.8%	3.6%
Nominal Per Capita Spending	\$2,167	\$2,167	\$2,143	\$2,119	\$2,193	\$2,499	\$2,599	\$2,266	\$2,544	\$2,708	\$2,595

Lethbridge – Ranked 13th out of 17



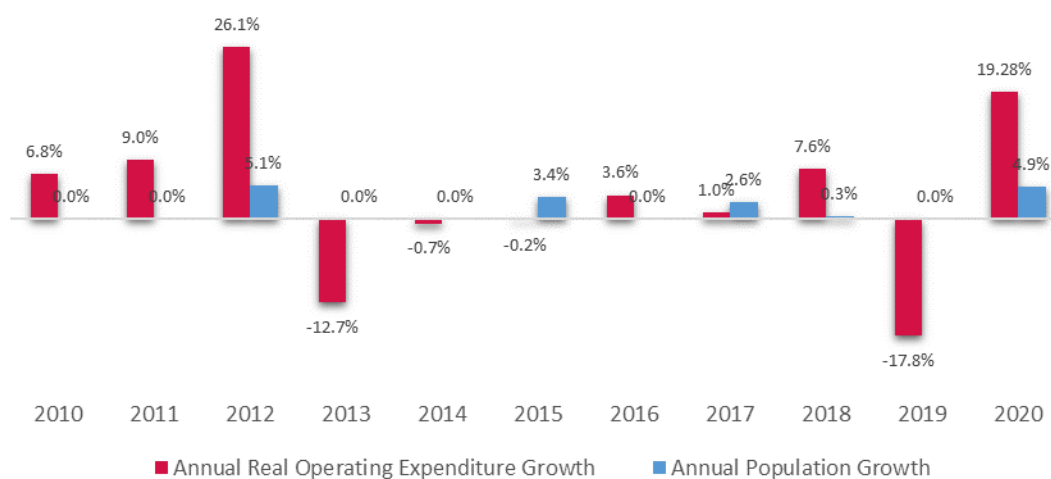
Lethbridge	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Real Operating Expenditure Growth	7.2%	2.5%	4.0%	1.8%	-0.4%	4.2%	2.9%	1.6%	2.3%	6.0%	-2.84%
Annual Population Growth	1.4%	1.4%	1.4%	1.5%	2.9%	1.9%	2.1%	1.4%	1.6%	1.7%	-0.2%
Nominal Per Capita Spending	\$2,021	\$2,093	\$2,172	\$2,209	\$2,193	\$2,268	\$2,310	\$2,081	\$2,422	\$2,568	\$2,527

Rocky View County – Ranked 14th out of 17



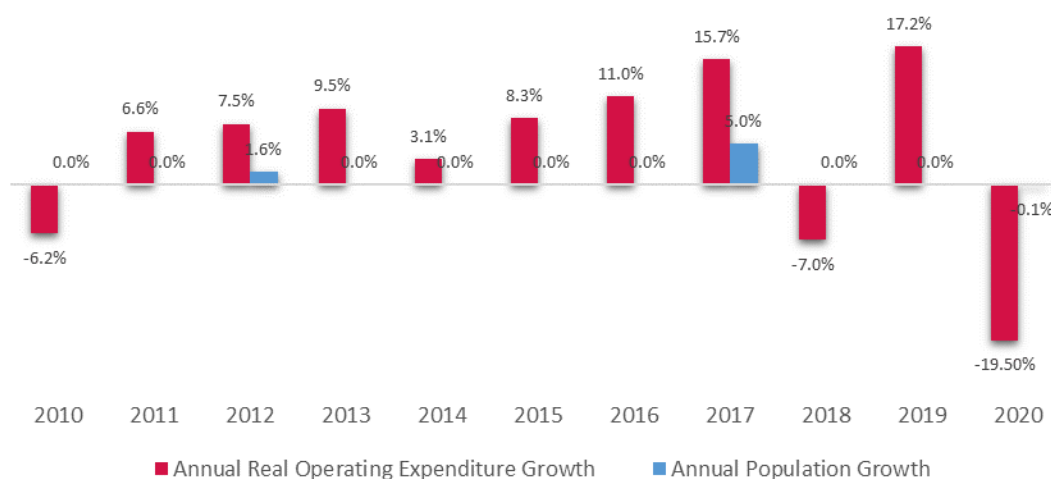
Rocky View County	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Real Operating Expenditure Growth	2.2%	2.4%	4.6%	-0.6%	4.4%	-1.4%	5.5%	19.1%	-15.2%	33.6%	-12.57%
Annual Population Growth	0.0%	0.0%	5.4%	4.4%	0.0%	0.0%	0.0%	3.6%	0.0%	0.0%	3.9%
Nominal Per Capita Spending	\$1,671	\$1,754	\$1,761	\$1,701	\$1,821	\$1,815	\$1,937	\$2,004	\$1,966	\$2,673	\$2,274

Strathcona County – Ranked 15th out of 17



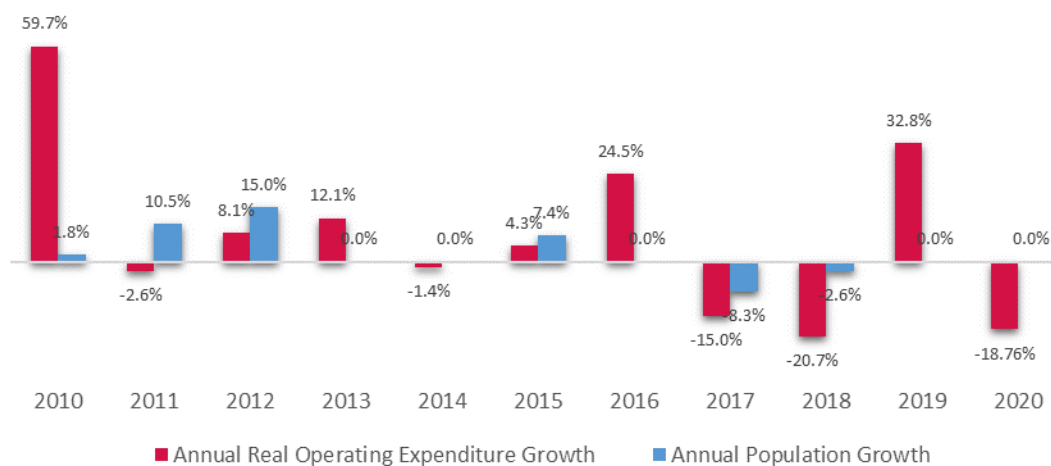
Strathcona County	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Real Operating Expenditure Growth	6.8%	9.0%	26.1%	-12.7%	-0.7%	-0.2%	3.6%	1.0%	7.6%	-17.8%	19.28%
Annual Population Growth	0.0%	0.0%	5.1%	0.0%	0.0%	3.4%	0.0%	2.6%	0.3%	0.0%	4.9%
Nominal Per Capita Spending	\$2,323	\$2,593	\$3,147	\$2,786	\$2,837	\$2,770	\$2,902	\$2,571	\$3,186	\$2,665	\$3,066

Parkland County – Ranked 16th out of 17



Parkland County	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Real Operating Expenditure Growth	-6.2%	6.6%	7.5%	9.5%	3.1%	8.3%	11.0%	15.7%	-7.0%	17.2%	-19.50%
Population Growth	0.0%	0.0%	1.6%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	-0.1%
Real Per Capita Spending	\$1,190	\$1,300	\$1,391	\$1,544	\$1,632	\$1,787	\$2,006	\$1,987	\$2,137	\$2,548	\$2,077

Regional Municipality of Wood Buffalo – Ranked 17th out of 17



Wood Buffalo, Regional Municipality of	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Annual Real Operating Expenditure Growth</i>	59.7%	-2.6%	8.1%	12.1%	-1.4%	4.3%	24.5%	-15.0%	-20.7%	32.8%	-18.75%
<i>Annual Population Growth</i>	1.8%	10.5%	15.0%	0.0%	0.0%	7.4%	0.0%	-8.3%	-2.6%	0.0%	0.0%
<i>Nominal Per Capita Spending</i>	\$4,359	\$3,936	\$3,742	\$4,254	\$4,300	\$4,224	\$5,316	\$4,430	\$4,168	\$5,635	\$4,629

Appendix D: Alberta Municipalities, Population Growth, Spending Growth, and Per Capita Operating Spending, 2010-2020

	2010-2020 Population Growth	2010-2020 Real Operating Spending Growth	2020 Per Capita Operational Spending
Airdrie	90%	83%	\$1,585
Alberta Beach	14%	38%	\$2,410
Athabasca	7%	25%	\$2,416
Athabasca County	-1%	1%	\$3,591
Banff	-6%	24%	\$4,499
Barrhead	10%	29%	\$2,243
Barrhead No. 11, County Of	10%	15%	\$1,405
Bassano	-8%	-10%	\$1,601
Beaumont	70%	61%	\$1,710
Beaver County	6%	-11%	\$2,220
Beaverlodge	14%	20%	\$2,204
Bentley	-2%	17%	\$2,042
Big Lakes County	33%	19%	\$4,397
Bighorn No. 8, M.D. Of	-5%	136%	\$8,014
Birch Hills County	-5%	23%	\$4,457
Black Diamond	22%	39%	\$2,037
Blackfalds	113%	140%	\$1,644
Bon Accord	-6%	3%	\$1,816
Bonnyville	-7%	12%	\$2,626
Bonnyville No. 87, M.D. Of	42%	81%	\$3,869
Bow Island	10%	38%	\$1,875
Bowden	-2%	28%	\$1,849
Brazeau County	22%	2%	\$2,402
Brooks	16%	0%	\$1,552
Bruderheim	10%	1%	\$1,867
Calgary	27%	12%	\$2,317
Calmar	19%	6%	\$2,002
Camrose	17%	-14%	\$2,032
Camrose County	16%	21%	\$2,093
Canmore	21%	43%	\$3,035
Cardston	3%	30%	\$2,185
Cardston County	8%	30%	\$1,674
Carstairs	78%	34%	\$1,844
Chestermere	59%	51%	\$1,522

Claresholm	4%	13%	\$1,710
Clear Hills County	-3%	14%	\$3,805
Clearwater County	1%	16%	\$3,140
Coaldale	29%	32%	\$1,631
Coalhurst	47%	30%	\$1,180
Cochrane	108%	41%	\$1,452
Cold Lake	11%	49%	\$2,584
Crossfield	15%	N/A	N/A
Crowsnest Pass, Municipality of	-6%	12%	\$2,539
Cypress County	16%	18%	\$2,996
Devon	3%	29%	\$1,895
Didsbury	16%	7%	\$1,614
Drayton Valley	7%	16%	\$3,334
Drumheller	4%	N/A	N/A
Duchess	5%	25%	\$1,622
Eckville	19%	45%	\$2,092
Edmonton	34%	22%	\$2,322
Edson	2%	N/A	N/A
Elk Point	-4%	17%	\$1,987
Fairview	-5%	-18%	\$1,961
Fairview No. 136, M.D. Of	-23%	1%	\$3,807
Falher	12%	15%	\$2,795
Flagstaff County	7%	56%	\$5,170
Foothills County	22%	0%	\$1,342
Fort Macleod	-1%	15%	\$2,121
Fort Saskatchewan	49%	41%	\$2,245
Forty Mile No. 8, County Of	9%	-1%	\$2,686
Fox Creek	-16%	N/A	N/A
Gibbons	23%	50%	\$1,715
Grande Cache	N/A	N/A	N/A
Grande Prairie	38%	24%	\$2,272
Grande Prairie No. 1, County Of	27%	61%	\$3,465
Greenview No. 16, M.D. Of	72%	274%	\$10,664
Grimshaw	13%	27%	\$1,522
Hanna	-10%	30%	\$2,501
High Level	-15%	N/A	N/A
High Prairie	-5%	N/A	N/A
High River	22%	15%	\$1,847
Hinton	5%	N/A	N/A
I.D. No. 09 (Banff)	15%	254%	\$3,515

Innisfail	1%	33%	\$2,141
Irricana	-3%	N/A	N/A
Jasper	-4%	16%	\$3,491
Kneehill County	6%	46%	\$4,086
Lac La Biche County	-8%	71%	\$6,115
Lac Ste. Anne County	5%	20%	\$2,017
Lacombe	20%	51%	\$2,154
Lacombe County	-3%	14%	\$2,752
Lamont	8%	0%	\$1,757
Lamont County	-8%	-13%	\$3,843
Leduc	47%	49%	\$2,595
Leduc County	-5%	33%	\$4,382
Legal	25%	22%	\$1,600
Lesser Slave River No. 124, M.D. Of	4%	N/A	N/A
Lethbridge	17%	24%	\$2,527
Lethbridge County	-1%	-5%	\$1,933
Lloydminster	80%	52%	\$1,928
Mackenzie County	18%	31%	\$2,702
Magrath	13%	18%	\$1,234
Manning	-17%	17%	\$2,799
Mayerthorpe	-12%	41%	\$2,966
Medicine Hat	7%	97%	\$1,937
Millet	0%	16%	\$1,556
Minburn No. 27, County Of	-3%	33%	\$4,676
Morinville	38%	49%	\$1,974
Mountain View County	6%	-3%	\$1,796
Nanton	5%	-2%	\$2,067
Newell, County Of	13%	21%	\$3,486
Nobleford	56%	-21%	\$714
Northern Lights, County Of	23%	-13%	\$3,828
Northern Sunrise County	-32%	81%	\$10,868
Okotoks	37%	37%	\$1,530
Olds	35%	40%	\$2,166
Onoway	1%	49%	\$2,921
Opportunity No. 17, M.D. Of	3%	23%	\$15,645
Oyen	-31%	24%	\$3,578
Paintearth No. 18, County Of	-6%	33%	\$6,265
Parkland County	7%	58%	\$2,077
Peace No. 135, M.D. Of	24%	34%	\$1,974
Peace River	14%	N/A	N/A

Penhold	74%	69%	\$1,684
Picture Butte	8%	40%	\$2,006
Pincher Creek	1%	13%	\$2,173
Pincher Creek No. 9, M.D. Of	-12%	9%	\$3,505
Ponoka	14%	24%	\$1,973
Ponoka County	17%	N/A	N/A
Provost	-5%	-1%	\$1,942
Provost No. 52, M.D. Of	-14%	48%	\$6,218
Raymond	2%	24%	\$1,743
Red Deer	18%	16%	\$2,340
Red Deer County	-1%	55%	\$2,958
Redcliff	17%	6%	\$1,575
Redwater	3%	14%	\$2,184
Rimbey	9%	-23%	\$1,485
Rocky View County	18%	37%	\$2,274
Saddle Hills County	-6%	57%	\$10,217
Sexsmith	17%	46%	\$1,562
Slave Lake	0%	N/A	N/A
Smoky Lake County	52%	12%	\$2,747
Smoky River No. 130, M.D. Of	-17%	#N/A	#N/A
Special Areas Board	-9%	N/A	N/A
Spruce Grove	58%	53%	\$1,886
St. Albert	15%	15%	\$2,243
St. Paul	4%	42%	\$2,438
St. Paul No. 19, County Of	2%	29%	\$3,567
Starland County	-21%	22%	\$5,845
Stettler	0%	38%	\$2,552
Stettler No. 6, County Of	6%	0%	\$2,819
Stirling	-10%	12%	\$1,768
Stony Plain	32%	48%	\$1,877
Strathcona County	17%	31%	\$3,066
Strathmore	21%	60%	\$1,935
Sturgeon County	11%	68%	\$2,647
Sundre	19%	13%	\$1,982
Swan Hills	-38%	-6%	\$3,223
Sylvan Lake	47%	71%	\$2,140
Taber	-3%	8%	\$2,874
Taber, M.D. Of	13%	25%	\$2,176
Thorhild County	-10%	-3%	\$4,940
Thorsby	5%	1%	\$2,405

Three Hills	-5%	3%	\$2,063
Tofield	13%	-8%	\$1,888
Trochu	-7%	14%	\$2,820
Turner Valley	36%	33%	\$2,054
Two Hills	11%	24%	\$2,170
Two Hills No. 21, County Of	24%	33%	\$3,310
Valleyview	2%	8%	\$3,216
Vauxhall	22%	-27%	\$1,603
Vegreville	0%	-22%	\$2,577
Vermilion	-6%	23%	\$2,357
Vermilion River, County Of	5%	4%	\$2,597
Viking	1%	15%	\$3,050
Vulcan	2%	11%	\$2,285
Vulcan County	0%	N/A	N/A
Wainwright	12%	34%	\$1,934
Wainwright No. 61, M.D. Of	8%	-23%	\$3,815
Warner No. 5, County Of	7%	9%	\$2,350
Wembley	10%	154%	\$2,345
Westlock	2%	62%	\$2,513
Westlock County	3%	8%	\$2,055
Wetaskiwin	6%	N/A	N/A
Wetaskiwin No. 10, County Of	7%	N/A	N/A
Wheatland County	14%	32%	\$2,596
Whitecourt	11%	27%	\$2,653
Willow Creek No. 26, M.D. Of	-2%	22%	\$2,367
WOOD BUFFALO, Regional Municipality Of	22%	10%	\$4,629
Woodlands County	13%	39%	\$4,147
Yellowhead County	10%	82%	\$4,608

Note: Municipalities with 'N/A' did not report their 2020 financial data to the provincial government in time for this report.

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