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Airdrie has lowest taxes and expenses among peers

AIRDRIE, ALBERTA – Airdrie has the lowest taxes and expenses per capita compared to other mid-size cities in Alberta according to the 2010 Financial Indicators from Alberta Municipal Affairs.

Revenues

Property taxes – 31 per cent lower

Sales and user charges – 42 per cent lower

Provincial and Federal grants – Airdrie is above the norm for grants received

Expenses

Long-term debt – 31 per cent lower

Salaries, wages and benefits – 30 per cent lower

Contracted and general services – 45 per cent lower

Materials, goods, supplies and utilities – 60 per cent lower

Transportation - 40 per cent lower

“This information is very good news for Airdrie taxpayers,” says Jana Jaeger, Director, Corporate Services, City of Airdrie. “These benchmarks provide verifiable third-party indicators that Airdrie delivers quality service at much lower than average cost.”

Background Information

Each year Airdrie’s audited financial information is compared to other mid-size Alberta cities. The comparison group includes Red Deer, Lethbridge, Medicine Hat, St. Albert and Grande Prairie. The population ranges from 39,800 to 90,000; Airdrie is the smallest city in the group. Although Airdrie is the smallest city in the grouping now, until 2006 Airdrie was grouped with municipalities that were all smaller, and results were similar.

Airdrie is the fastest growing city in the group with 4.54 per cent growth in 2010. St. Albert is next at 2.80 per cent and Lethbridge is at 1.37 per cent.

Revenues

Airdrie’s tax rate is the lowest in the group. Municipalities establish a tax rate to generate operating funds. The tax rate times the assessed value of a property translates into the actual taxes each resident will pay. For example, \$300,000 x 4.6% = \$1,380.

The equalized tax rate levels the playing field across the province to adjust for market value differences among cities. Airdrie's tax rate is lower than the norm, not because our assessed values are higher, but because we need to raise less money in taxes to generate the needed funds, at least in part due to keeping costs per capita down far below the norm of our comparative grouping.

Expenses

In spite of continued growth pressures and significant capital projects undertaken in recent years, Airdrie's debt per capita is 31% less than the group's. However, the 2010 over 2009 increase for Airdrie was 21%, a significant jump from prior years. This is due to a number of significant debt-financed capital projects for the community that came on stream in 2010.

Airdrie's personnel costs per capita remain the lowest in the group. This may be attributable to a combination of a strong corporate culture, a predominantly non-unionized environment that allows broad job scope and flexibility, and contracting out some services that other larger cities may deliver using their own staff.

Garbage collection, legal advisors and transit are examples of services that Airdrie contracts instead of using in-house staff. If Airdrie is contracting services that other cities deliver with staff, contracted expenses would be expected to be higher than the group, but Airdrie's contracted services are about half of the group's median.

Materials, goods, supplies and utilities costs are holding a relatively flat trend line. Locking-in some of our utility costs through contracts was a beneficial decision.

A copy of the full report is on our website at airdrie.ca

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Media Contact:

Jana Jaeger

(403) 948-8800 ext 8841

jana.jaeger@airdrie.ca

www.airdrie.ca