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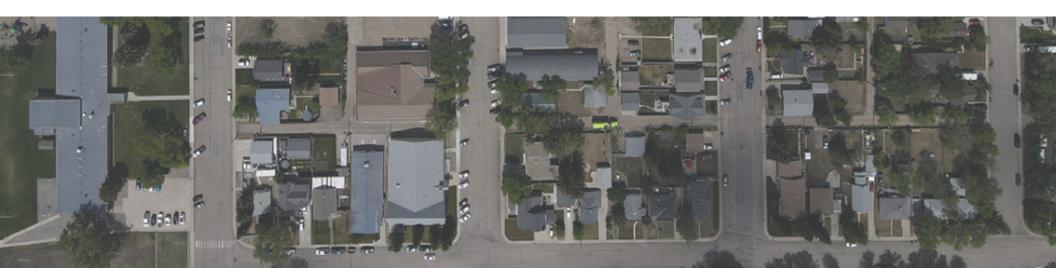


What Is the Town of Coaldale Comparative Analysis?

Like private sector corporations, municipalities have a vested interest in measuring their financial and operational performance. After all, like share-holders, Town residents, business owners, and elected officials - all of whom pay municipal taxes - have a vested interest in knowing just how efficient or inefficient their municipality's operations really are, and just healthy or unhealthy its fiscal situation really is.

Measuring this performance, however, requires both introspection and extrospection. It requires evaluating the fiscal and operational performance of one's own municipality and then comparing that performance to the fiscal and operational performances of other, similarly sized and/or neighbouring municipalities.

Accordingly, in 2019 the Town of Coaldale decided to take its financial and operational reporting to the next level and began conducting just this kind of comparison. Rather than simply evaluate its own financial and operational performance, Coaldale went one step further and compared its financial and operational performance to the financial and operational performances of eight (8) other similarly sized and neighbouring municipalities: Blackfalds, Taber, Innisfail, Edson, Drumheller, Ponoka, Lethbridge, and Lethbridge County. Now dubbed the Town of Coaldale "Comparative Analysis," this document stands along side the Town's Operating and Capital Budgets, Audited Financial Statements, and Annual Reports as one more tool for analyzing its organizational performance, thus giving Town residents a better sense of how their municipality is ultimately run.



What Information Is Considered and Compared in the Analysis?

In keeping with the Town's 2019 Comparative Analysis and 2020 Comparative Analysis, the Town's 2021 Comparative Analysis compares Coaldale's financial and operational performance to the financial and operational performances of Blackfalds, Taber, Innisfail, Edson, Drumheller, Ponoka, Lethbridge, and Lethbridge County. The reasons for comparing Coaldale's performance to the performances of these municipalities, in particular, are twofold. First, many of these municipalities (Blackfalds, Taber, Edson, Drumheller, Ponoka, and Innisfail) are similar in size and, like Coaldale, are situated in close proximity to major urban centres. They therefore face - or are at the very least more likely to face - similar demographic, operational, and financial challenges and pressures. Second, Lethbridge and Lethbridge County are Coaldale's direct neighbours. Including these municipalities in the analysis therefore provides important regional context for understanding certain performance metrics like Coaldale's residential and commercial tax (mill) rates, as well as its population growth.





Like its previous comparative analyses, the Town's 2021 Comparative Analysis focuses on measuring five** distinct benchmarks:

Benchmark 1: Operational Expenditures and Revenues

Benchmark 2: Taxation and Assessment

Benchmark 3: Assessment Growth (2015-2021)

Benchmark 4: Population Growth (2015-2021)

Benchmark 5: Executive Compensation

The reasons for measuring these benchmarks, in particular, are also twofold. First, while the sheer volume of data available in Statistics Canada reports, provincial equalized assessment publications, and audited financial statements make it possible to develop any number of performance metrics for evaluating a municipal operation, the Town opted to simplify its approach by confining its analysis to measuring five benchmarks in total, all of the data for which can be found in publicly available audited financial reports and statements. Second, to avoid the accusation that it is "cherry-picking" statistics that reflect favourably on Coaldale, the Town opted to measure five benchmarks that it could measure consistently, year after year.

**Coaldale's 2019 comparative analysis focused on measuring only the first four benchmarks. Due to consistent requests from residents, however, the Town added Benchmark 5: Executive Compensation to its 2020 analysis.

Benchmark 1: Operating Expenditures & Revenues

This benchmark measures each municipality's total operating expenditures - including on salaries, wages, & benefits. It also measures each municipality's total revenues.

For comparison purposes, the table below includes per capita calculations so readers can see exactly how much each municipality spends per person on operational expenditures in general and on salaries, wages, & benefits in particular. It also includes per capita calculations for each municipality's revenue so readers can see how much each municipality collects (through taxation, fees, and other sources of revenue) per person.

Municipality	Population	Total Operational Expenditures (\$)	Per Capita Operational Expenditures (\$)	Salaries, Wages, & Benefits (\$)	Per Capita Salaries, Wages, & Benefits	Total Revenue (\$)	Per Capita Total Revenue
Blackfalds	11,344	19,689,356	1,736	8,882,676	783	24,382,010	2,149
Coadale	8,903	14,568,407	1,636	5,502,108	618	19,463,544	2,186
Drumheller	8005	17,198,342	2,148	6,603,199	825	20,600,817	2,573
Edson	8099	20,364,073	2,514	8,047,581	994	27,194,374	3,358
Innisfail	7750	17,038,077	2,198	6,258,599	808	18,208,747	2,350
Lethbridge	101,211	331,591,000	3,276	178,061,000	1,759	440,738,000	4,355
Lethbridge County	11,120	19,635,988	1,766	7,776,703	699	25,213,871	2,267
Ponoka	7375	17,795,424	2,413	5,495,523	745	18,384,621	2,493
Taber	8,870	21,780,655	2,456	11,527,175	1,300	25,303,556	2,853

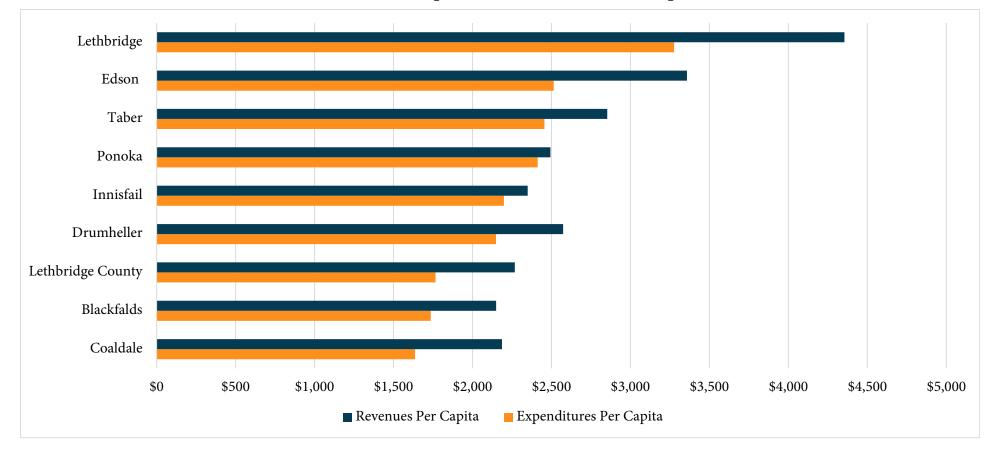


Chart 1: Total Expenditures & Revenues Per Capita

As Chart 1 shows, Coaldale has the lowest per capita total expenditures and the second lowest per capita total revenues among both its peer and neighbouring municipalities. What this means, in effect, is that compared to its peers and neighbours, Coaldale both spends less *and* takes in less thereby making it a low revenue-low spend operation. This provides clarity as to how Coaldale, compared with other municipalities its size and in its region, operates financially. Rather than operate on a high revenue-high spend model like that of Taber and Edson (or worse, a low revenue-high spend model like that of Ponoka and Innisfail), Coaldale continues to operate on a low revenue-low spend model, similar to that of Blackfalds.

Equally important to note, however, is the ratio between how much Coaldale spent per capita and took in per capita. As Chart 2 shows, Coaldale also has the healthiest per capita expenditure-revenue ratio among its low revenue-low spend peers.

3400 1:0.753200 Per Capita Total Revenues (\$) 3000 Coaldale Blackfalds 2800 1:0.86Lethbridge County Drumheller 2600 Innisfail 1:0.83Ponoka 1:0.972400 ■ Taber Edson 1:0.77 1:0.942200 1:0.751:0.812000 1400 1600 1800 2000 2200 2400 2600 Per Capita Total Expenditures (\$)

Chart 2: Total Operational Expenditures Per Capita vs. Total Revenues Per Capita

For every dollar that Coaldale takes in per capita (from taxes, fees, and other sources of revenue), it spends approximately seventy-five (75) cents per capita. This means that rather than spending almost everything it takes in on day-to-day operations (Ponoka) or, worse, spending more than it takes in on day-to-day operations, Coaldale collects enough in revenues to cover day-to-day operations *and* save up for long term capital investments. Comparatively speaking, then, Coaldale is not just a low revenue-low spend municipality; it is an *efficiently run* low revenue low-spend municipality, as well. In fact, only high revenue-high spend Edson matches Coaldale in terms of how much it takes in and spends on a per capita basis.

A major source of public concern (and often, frustration), is the salaries, wages, and benefits that municipalities pay and provide for their employees. This concern exists in Coaldale as much as it does in any other municipality - and for good reason: expenditures on salaries, wages, and benefits make up a significant portion of municipal operating budgets. Charts 3 and 4 therefore compare how Coaldale stacks up against its peer and neighbouring municipalities when it comes to expenditures on salaries, wages, and benefits.

Chart 3: Expenditures on Salaries, Wages, & Benefits as a Percentage of Tax Revenues

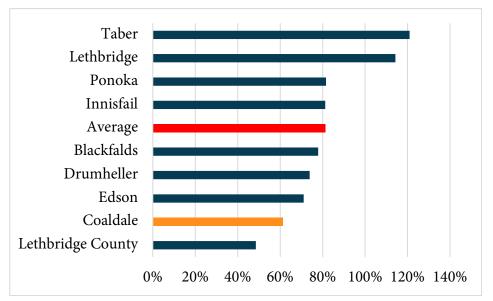
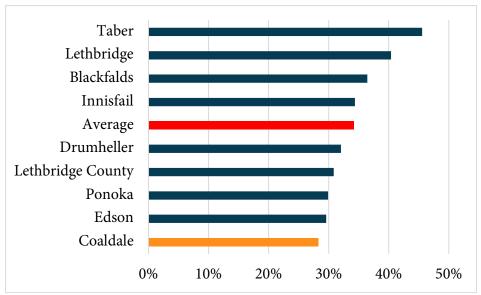


Chart 4: Expenditures on Salaries, Wages, & Benefits as a Percentage of Total Revenue Per Capita



As Chart 3 shows, Coaldale spends approximately 61% of its tax revenues on salaries, wages, and benefits, which is 60% less than neighbouring Taber (121%), 53% less than neighbouring Lethbridge (114%), and the second lowest amount, overall, among both its peers and neighbours. When adjusted for population, however, Coaldale comes into view as actually spending the *least* on salaries, wages, and benefits among its peers and neighbours. As Chart 4 shows, Coaldale is the lowest spending municipality in the group, coming in at 28% of total revenue per capita. That amounts to \$618 per person, which is \$81 per person less than the next lowest municipality in the group (Edson) and \$291 per person less than the group average. This means, in effect, that Coaldale would have to spend an additional \$2,590,777 on salaries, wages, and benefits just to be average.





Benchmark 2: Taxation & Assessment

Key to measuring the operational and financial performance of any municipality is taking stock of how much it taxes its residents and businesses. After all, property taxes paid by both are the proverbial lifeblood of municipal governments: without them, municipalities simply would not be able to cover day-to-day operational expenses, let alone fund the construction of new capital projects. Benchmark 2 therefore compares Coaldale against its peer and neighbouring municipalities on taxation which, at the municipal level, is inextricably connected to residential and non-residential assessment. Each year, properties are assessed for their current value based on a standard set by the Government of Alberta. Property taxes are then calculated by multiplying these assessments according to a municipally established residential "mill rate" and non-residential "mill rate". Municipalities can also apply their non-residential mill rate to machinery and equipment located on non-residential properties. While Coaldale DOES NOT apply a tax to machinery and equipment located on non-residential properties, a number of other municipalities included in this analysis do (Taber, Lethbridge County, Innisfail, and Drumheller).

For comparison purposes, the table below includes the residential and non-residential mill rates of each municipality, the latest (2020) figures for equalized residential, non-residential, and total assessment in each municipality, and the latest (2020) figures for both net and per capita taxes available for municipal purposes in each municipality. As these figures reveal, because Coaldale remains behind the pack when it comes non-residential assessment, it continues to have less per capita net taxes available for municipal purposes than Drumheller, Edson, Lethbridge, Lethbridge County, and Taber. For precisely this reason, Coaldale continues to focus on attracting new business to Town as well as on incentivizing commercial expansion by maintaining a fairly low non-residential mill rate of approximately 1 percent - which is approximately half of neighbouring Lethbridge's non-residential mill rate.

Municipality	Population	Residential Mill Rate (%)	Non-Residential Mill Rate (%)	Residential Assessment (\$)	Non- Residential Assessment (\$)	Total Assessment (\$)	Net Taxes Available for Municipal Puposes (\$)	Per Capita Net Taxes Available for Municipal Purposes (\$)
Blackfalds	11,344	8.2671	10.0470	1,161,384,832	137,432,367	1,319,818,299	11,404,332	1,005
Coaldale	8,903	8.0187	10.1560	920,695,997	119,625,809	1,052,232,586	8,973,493	1,008
Drumheller	8,005	8.3120	13.5215	678,122,984	213,849,219	927,539,823	8,937,148	1,116
Edson	8,099	5.7717	13.0712	888,170,564	372,934,242	1,317,395,056	11,327,900	1,399
Innisfail	7,750	6.6088	8.1546	824,571,069	221,037,143	1,116,771,282	7,703,072	994
Lethbridge	101,211	8.7327	20.5464	10,818,490,732	2,661,197,607	14,100,514,769	155,822,000	1,540
Lethbridge County	11,120	4.8461	9.3040	1,079,684,285	416,111,003	1,971,327,968	16,026,917	1,441
Ponoka	7,375	7.6809	10.0240	655,468,022	174,152,983	841,089,865	6,737,484	914
Taber	8,870	7.8552	12.3251	743,248,824	224,627,118	1,055,483,842	9,532,186	1,075

Mill rate adjustments tend to be gradual. As a result, understanding how a municipality is managing its approach to taxation requires tracking these adjustments over a set period of time - which is precisely what Charts 5 and 6 below do. While Chart 5 shows the percentage change in residential mill rates in Coaldale and its peer and neighbouring municipalities from 2018-2021, Chart 6 shows the percentage change in non-residential mill rates in Coaldale and its peer and neighbouring municipalities from 2018-2021.

Chart 5: Percentage Change in Residential Mill Rates from 2018-2022

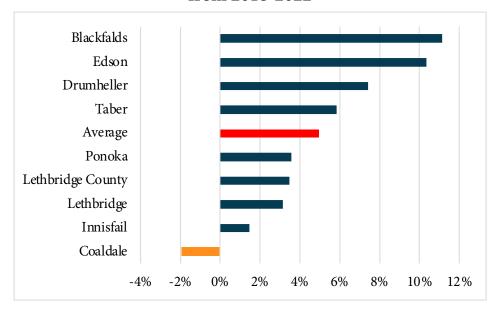
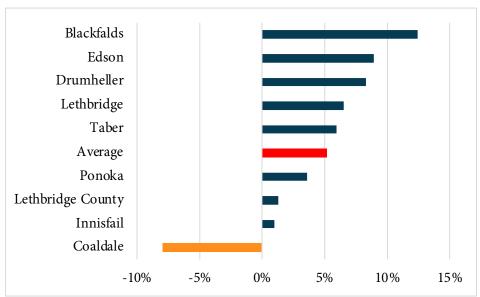


Chart 6: Percentage Change in Non-Residential Mill Rates from 2018-2021



As Charts 5 and 6 show, over the last 4 years residential and non-residential mill rates in all of Coaldale's peer and neighbouring municipalities increased - and in some cases by over 10% (Blackfalds). But in Coaldale itself, both mill rates decreased (by approximately 2% and 8%, respectively). On this metric, therefore, Coaldale is not only outperforming its peers, but more importantly, outperforming its regional competitors (Lethbridge, Lethbridge County, and Taber), as well.



Benchmark 3: Assessment Growth

By measuring assessment growth, it becomes possible not only to discern whether a given municipality's approach to taxation is working, but also, whether the assets behind that municipality's property taxes are increasing or decreasing in value. These "assets" are not municipally owned infrastructure. Rather, they are property owned by individuals and businesses, the overall value of which is determined by the real-estate market. Assessment growth occurs either where property values are increasing due to an increase, for instance, in housing or commercial real-estate prices, or where new development/construction occurs.

For comparison purposes, the table below includes figures for equalized residential assessment growth, non-residential assessment growth, non-residential assessment growth, and total assessment growth from 2015 through 2021. It also includes figures for total assessment growth per capita from 2015 through 2021.

Municipality	Population	Residential Assessment Growth (\$)	Non-Residential Assessment Growth (\$)	Total Assessment Growth (\$)	Overall Rank	Total Assessment Growth Per Capita	Per Capita Rank
Blackfalds	11,344	115,401,139	19,617,166	135,018,305	4	11,902	4
Coaldale	8,903	219,537,861	63,061,075	282,598,936	2	31,742	1
Drumheller	8,005	(44,942,062)	(26,928,430)	(71,870,492)	9	-8,978	9
Edson	8,099	(9,517,496)	19,843,145	10,325,649	8	1,275	8
Innisfail	7,750	(5,236,779)	17,045,289	11,808,510	7	1,524	7
Lethbridge	101,211	1,447,103,563	288,649,536	1,735,753,099	1	17,150	3
Lethbridge County	11,120	194,911,501	35,211,388	230,122,889	3	20,695	2
Ponoka	7,375	2,005,656	14,758,310	16,763,966	6	2,273	6
Taber	8,870	76,979,003	27,192,282	104,171,285	5	11,744	5

Chart 7: Residential Assessment Growth Per Capita from 2015-2021

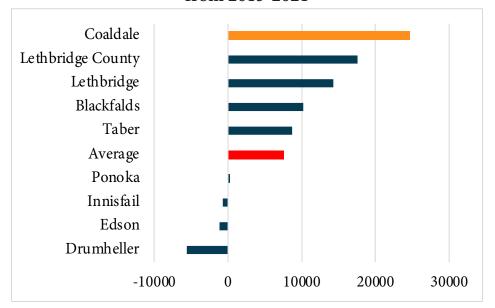
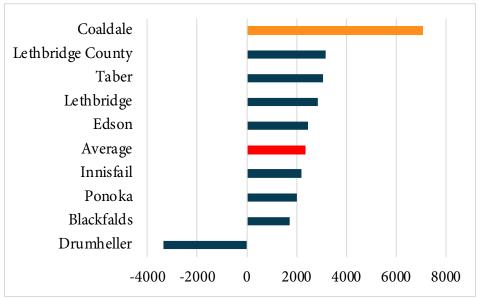


Chart 8: Non-Residential Assessment Growth Per Capita from 2015-2021



Recall that over the last 4 years, residential and non-residential mill rates in all of Coaldale's peer and neighbouring municipalities increased while those of Coaldale decreased (by approximately 2% and 8%, respectively). As Charts 7 and 8 show, Coaldale's approach to taxation appears to be paying off. From 2015-2021, Coaldale saw significantly more residential and non-residential assessment growth per capita than any of its peer or neighbouring municipalities. In terms of residential assessment growth, Coaldale saw approximately \$25,000 per capita which is approximately \$7,000 and \$10,000 more than its direct neighbours (Lethbridge County and Lethbridge, respectively). Similarly, in terms of non-residential assessment growth, Coaldale saw approximately \$7,000 per capita which is approximately \$3900 and \$4200 per capita more that its direct neighbours. Coaldale therefore placed first in both categories, as well as first overall for total assessment growth per capita. Coming in at \$31,742 of total assessment growth per capita, Coaldale saw approximately 35% more per capita growth than neighbouring Lethbridge County and 46% more per capita growth than neighbouring Lethbridge.



Benchmark 4: Population Growth

Like assessment growth, population growth is revealing of the relative health and desirability of a community. Population growth, in general, can be a positive indicator of a given municipality's performance. Then again, like assessment growth, population growth is subject not just to a given municipality's performance, but to provincial, national, and even global economic forces, as well. As a result, while the table below compares population growth across both Coaldale's peers and neighbours, it is especially important to focus on Coaldale's population growth relative to its neighbours (Lethbridge, Lethbridge County, and Taber). After all, when it comes to where people choose to live, it is with these municipalities that Coaldale is ultimately competing.

Municipality	Population Growth	Population 2020	Population 2016	Percent Growth	
Blackfalds	1,416	11,344	9,928	14.26%	
Coaldale	443	8,903	8,460	5.24%	
Drumheller	(111)	8,005	8,116	-1.37%	
Edson	(533)	8,099	8,632	-6.17%	
Innisfail	(263)	7,750	8,013	-3.28%	
Lethbridge	5,689	101,211	95,522	5.96%	
Lethbridge County	507	11,120	10,613	4.78%	
Ponoka	(28)	7,375	7,403	-0.38%	
Taber	208	8,870	8,662	2.40%	

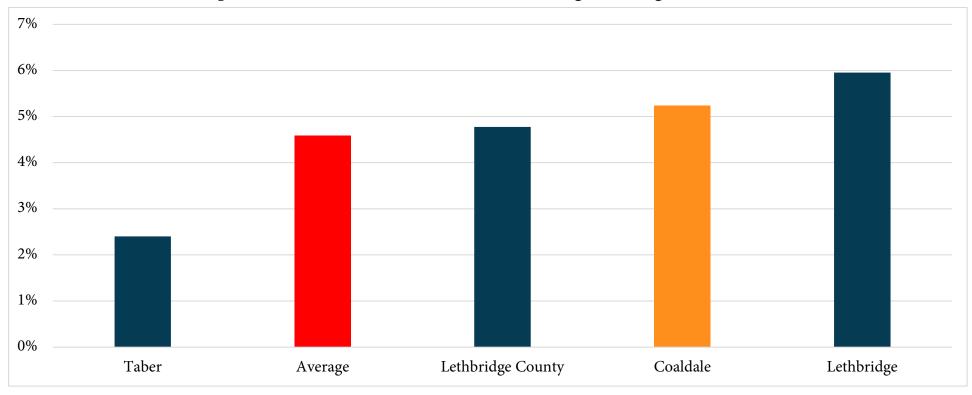


Chart 9: Population Growth in Coaldale vs. Coaldale's Regional Neighbours from 2016-2020

Population statistics used in this analysis are taken from the Government of Alberta and can be found online at its "regional dashboard." These numbers reflect an estimate that is updated on an annual basis rather than the defined results of a federal census, which are only updated once every five years. According to these figures, Coaldale is performing relatively well. Overall, Coaldale saw the third highest population growth from 2016-2020 among both its peer and neighbouring municipalities. Regionally, Coaldale saw the second highest population growth from 2016-2020, trailing Lethbridge by only a mere 0.72%. This suggests that Coaldale has positioned itself as an attractive community to relocate to and live in. Organizational policies focused on promoting and sustaining growth continue to serve Coaldale well and have clearly had a measurable impact in terms of spurring its population growth.



Benchmark 5: Executive Compensation

Like expenditures on salaries, wages, and benefits in general, expenditures on executive compensation in particular is also a major source of public concern - and again, for good reason: just as improperly compensated boards and CEOs can either cost shareholders money or produce organizational cultures that lack the incentive to increase profits and boost share prices, so improperly compensated councils and chief administrative officers (CAOs or City Managers) can either cost tax payers money or produce organizational cultures that lack the incentive to listen to and deliver for their residents. As a result, in 2020 the Town added executive compensation as a fifth and final benchmark to its annual comparative analyses so that readers could see how much Coaldale's executive leadership team is paid relative to executive leadership teams in Coaldale's peer and neighbouring municipalities. For comparison purposes, the table below includes the compensation figures (salary + benefits) for both elected officials and CAOs in each municipality.

Municipality	Chief Administrative Officer	Rank 1 = low; 9 = high	Mayor	Rank	Councillor	Rank
Blackfalds	\$236,779	5	\$52,608	6	\$29,272	6
Coaldale	\$204,341	1	\$38,351	1	\$23,051	1
Drumheller	\$205,116	2	\$57,452	7	\$32,179	7
Edson	\$232,803	4	\$42,770	2	\$25,600	3
Innisfail	\$241,160	6	\$45,614	5	\$27,979	5
Lethbridge	\$293,000	9	\$156,000	9	\$69,625	9
Lethbridge County	\$266,248	7	\$67,866	8	\$43,749	8
Ponoka	\$272,603	8	\$45,038	3	\$25,069	2
Taber	\$218,912	3	\$45,287	4	\$25,631	4

Chart 10: Mayor Compensation By Municipality**



Chart 11: Councillor Compensation By Municipality**

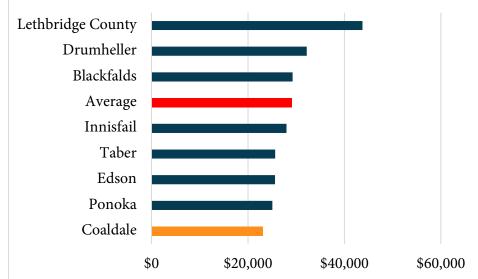
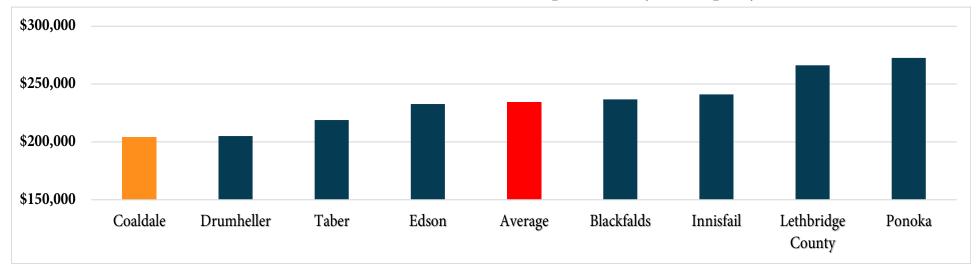


Chart 12: Chief Administrative Officer Compensation By Municipality**



Compensation numbers for Coaldale's elected officials and CAO are published in the Town's annual financial statements. Only by comparing them to the compensation numbers of elected officials and CAO's in Coaldale's peer and neighbouring municipalities, however, can the reader begin to appreciate where Coaldale stands in terms of executive compensation. As Chart 10 and 11 reveal, Coaldale spends less on compensation for elected officials than any of its peer municipalities. In fact, Coaldale spends 22% and 21% less on mayoral and councillor compensation, respectively, than what the average municipality its size spends on mayoral and councillor compensation. At the same time and as Chart 12 reveals, Coaldale spends less on compensation for its CAO than any of its peer municipalities, as well. Whereas similarly sized Ponoka, for instance pays its CAO just over \$270,000 a year, Coaldale pays its chief administrative officer just over \$200,000 a year (approximately 25% less).

**For a more accurate - apples to apples - comparison, Lethbridge's numbers are not included in charts 10-12 as its elected officials and chief administrative officer are compensated at a significantly higher rate (\$156,000 per year for the Office of Mayor; \$69, 625 per year for the Office of Councillor, and \$293,000 for the position of Chief Administrative Officer) than are elected officials and chief administrative officers in smaller municipalities.



What Does This Information Tell Us?

In keeping with Coaldale's 2019 and 2020 comparative analyses, there are a number insights that can be drawn from its 2021 Comparative Analysis, as well:

- 1. Coaldale remains an efficiently-run, low revenue-low spend municipality. In the private sector, expenditure-revenue ratios are used to make an all-encompassing assessment of a company's overall operational efficiency. As evidenced by the analysis above, however, something similar can be done when it comes to making an all-encompassing assessment of a municipality's overall operational efficiency, as well. Just as successful corporations spend less than they bring in, so too do successful municipalities and on this metric, Coaldale continues to outperform both its peer and neighbouring municipalities.
- 2. Coaldale continues to experience sustained growth and development. As Coaldale's performance on taxation, assessment growth, and population growth confirm, keeping relatively low residential and non-residential mill rates continues to attract investment and new residents to the Town. On all three of these metrics, Coaldale continues to either outperform its peers and in many cases by a substantial margin. To be sure, some of Coaldale's growth is due to economic factors beyond Coaldale's control. Still, what is important to note is that even from a more immediate, regional perspective, Coaldale remains ahead of the pack. Its overall approach to taxation is therefore working and to great effect.
- 3. Finally, Coaldale remains the lowest spending municipality on salaries, wages, and benefits, including on executive compensation, among both its peer and neighbouring municipalities. What this means, in effect, is that while remaining competitive in terms of its ability to employ qualified, sought after people, Coaldale has at the same time remained committed to the principle of fiscal responsibility, thereby keeping it the most fiscally lean municipality in terms of what it spends on employee compensation of all the municipalities considered in this analysis.