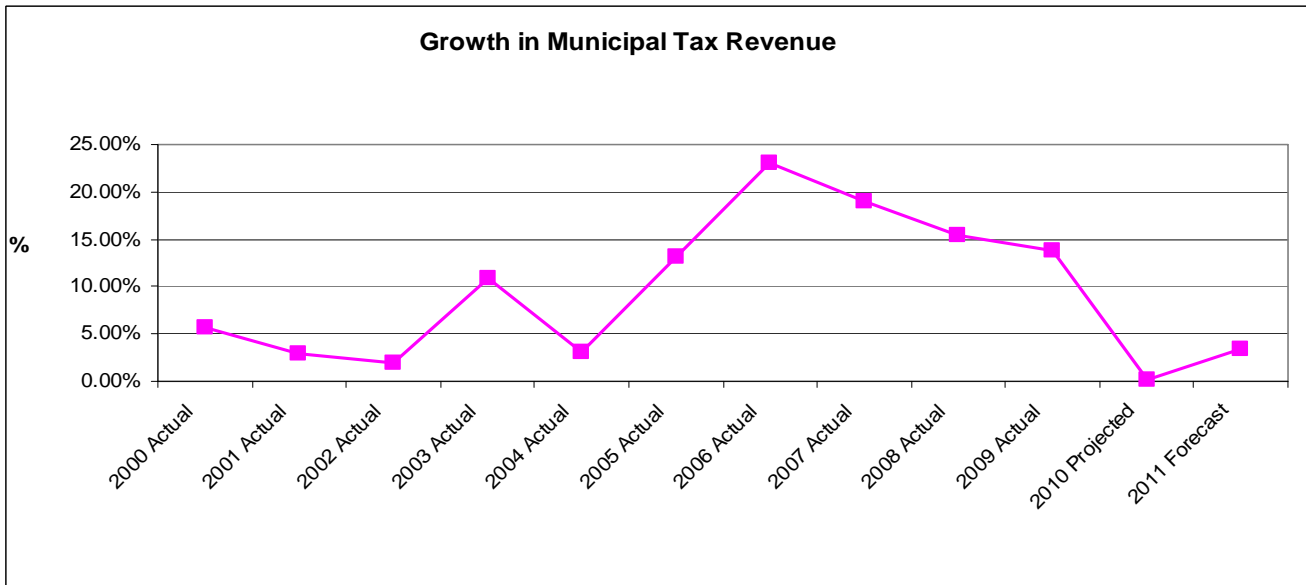
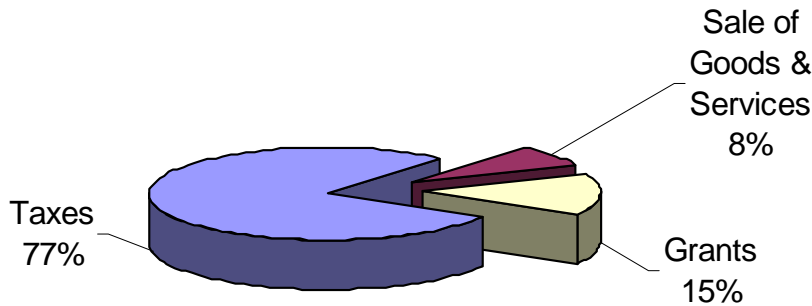


Appendix 2

Property Taxes

The primary source of revenue for the County is municipal property taxes. After a pause in growth in 2010 small increases in tax revenue are expected in 2011. Property taxes are 77% of the total revenue, or \$34.5 million. The tax revenue is based on a projection of property assessments for 2011 (see the assessment section below for further details). Of the \$34.5 million \$23.9 million is retained by the County. \$10.1 million is budgeted to be sent to the Provincial government to provide educational services. The rest is sent to regional agencies that provide services to both the County and the urban municipalities within the County boundaries.

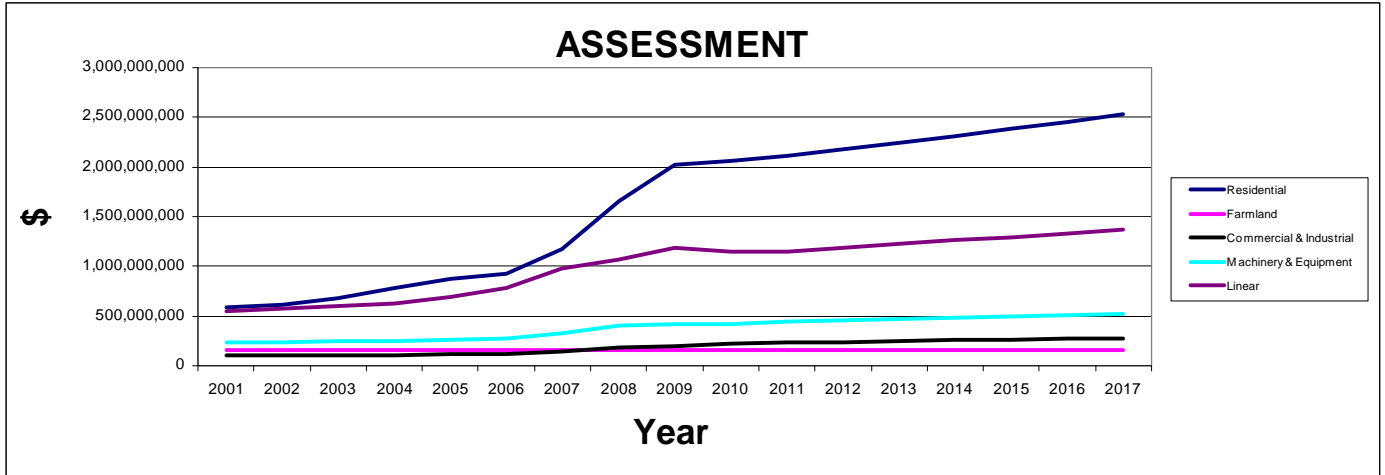
Municipal Revenue





Revenues

2011 Budget



Assessment Increase for 2010 - Projected

	Growth	Market	Overall
Residential	2.72%	(1.17)%	1.55%
Farmland	(0.07)%	0.00%	(0.07)%
Commercial	13.40%	(0.84)%	12.56%
M&E	4.79%	(5.64)%	(0.85)%
Linear	1.78%	(5.24)%	(3.46)%
Combined	3.09%	(2.78)%	0.30%

Assessment Increase for 2011 - Budget

	Growth	Market	Total
Residential	3.00%	0.00%	3.00%
Farmland	(0.10)%	0.00%	(0.10)%
Commercial	5.00%	(2.00)%	3.00%
M&E	5.00%	0.00%	5.00%
Linear	3.00%	(2.10)%	0.90%
Combined	3.20%	(0.71)%	2.49%





**Mountain View
C O U N T Y**

Revenues

2011 Budget

2011 Assessment

	2010 Assessment	2011 Growth	2011 Market	2011
Residential	2,045,801,869	61,374,056	250	2,107,176,175
Farmland	158,680,242	(158,680)	(152)	158,521,410
Commercial	224,992,873	11,249,644	(4,500,051)	231,742,465
M&E	416,987,913	20,849,396	(494)	437,836,815
Linear	1,136,447,698	34,093,431	(23,865,318)	1,146,675,810
Total	3,982,910,594	127,407,846	(28,365,765)	4,081,952,675

	2011 Growth	2011 Market	Total
Residential	144,229	(42,143)	102,086
Farmland	(1,185)	(3,172)	(4,357)
Commercial	109,234	(43,695)	65,539
M&E	202,448	(5)	202,443
Linear	331,047	(231,732)	99,315
Total	785,773	(320,747)	465,026

	Growth Assumption	Tax Revenue Growth
Budget Assumption	Target Municipal Tax Revenue increase of just under 3%. Growth of 3% is higher than last year where there was very little net change in the assessment base, but similar to other instances of slow economic growth. This includes the assumption that there are only modest devaluations of Non-residential properties. This is based on preliminary estimates.	\$800,000
Pessimistic	No real growth for Non-residential properties.	\$0
Optimistic	Overall real growth in the value of Non-residential properties of 6%.	\$1.2 million





Revenues

2011 Budget

The market value adjustments are generally the most difficult to predict but variances from budget for these items would likely result in the tax rate being adjusted by a corresponding amount. This maintains the same tax level. For example, if the actual market value increase of residences was 5% rather than the budgeted 3%, the tax rate would be decreased so that the County would still collect the budgeted amount of taxes.

A target of a 0% residential tax increase would mean that, on average, someone who has made no improvements to their home would pay the same amount of taxes in 2011 as they did in 2010. Underlying this goal is the assumption that the Province will not request significant increases in the amount of education taxes that the County will need to collect on their behalf. This goal has been incorporated in the budget.

Since the linear tax roll is managed by the province the County doesn't have all the necessary information to determine how the linear assessment values will change. In this case the County relies on historical trends and general economic indicators. With a recovering economy and stronger oil and gas prices it's expected that Linear assessment values will grow moderately this year. Indications from the Province are that Linear market values will drop by 2.1% for assessments that will be used to collect 2011 taxes. The budget assumption is that the County will increase the Non-residential tax rate to offset the decreased Linear values. When the final assessment numbers are received this assumption could be adjusted.

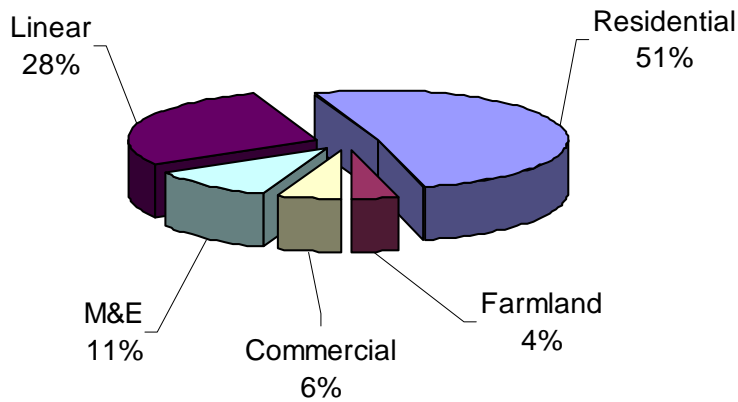
The tax bill received by County rate payers is split into three main components: municipal taxes, education taxes and other requisitions. Municipal taxes are available to the County to pay for County services, education taxes are forwarded to the Alberta provincial government and other requisitions are sent to other agencies to support senior's housing, and solid waste management services. Other requisitions are only a minor part of the overall tax bill. Education taxes represent approximately 30% of the overall tax bill. The Province determines how much each municipality needs to collect on their behalf. Since its one tax bill, changes in the amount the Province requires can impact municipalities. In recent years the Province reduced the amount requested and encouraged municipalities to increase municipal tax amounts so that rate payers would pay approximately the same amount in total. In 2011 there is risk this trend could reverse and the Province may ask for more education tax revenue than in previous years. The risk has increased for two reasons. The Provincial government is drawing on reserves to balance its budget and is facing pressure to increase revenues. Secondly, the County's assessment base in relation to other municipalities is expected to see higher overall growth than the Provincial average. During the economic upswing property values increased more in the large urban centres. The reverse is expected now the economy has cooled. The first reason will impact the total amount necessary to be divided amongst all municipalities and the second factor will impact the County's share of that overall amount. If the education amount the Province requires the County to collect increases significantly this may impact the amount of municipal tax the County is able to collect.

As in other years the final assessment numbers and the amount of education taxes the County needs to collect won't be known until after the budget has been adopted by Council. As in past years Council has

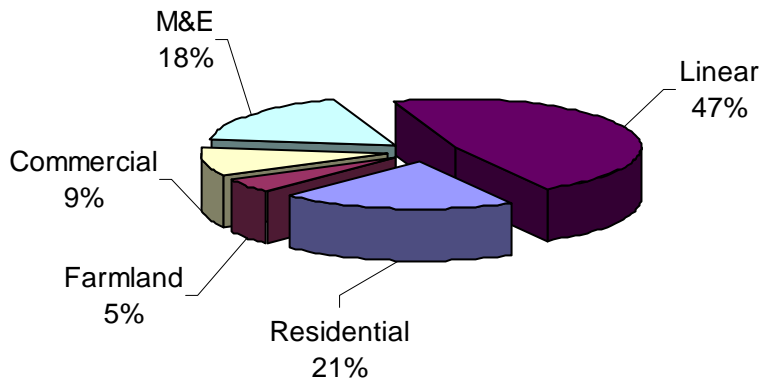


the option to use reserves to balance the difference between budget assumptions and actual results. This will be considered by Council in the Spring when tax rates are set. In past years with a strong economy the County performed well with a tax base that has increased above historical trends. This allowed the County to add to its reserves. In 2011 this trend is expected to continue as the County adds additional funding to renew assets. When setting the final tax rates Council has the option of adjusting reserve funding in relation to the final assessment values,

2011 Assessment Breakdown



Tax Revenue by Assessment Category



**MOUNTAIN VIEW COUNTY
2011 BUDGET
GRANTS**

VARIANCE CALCULATION: 2011 budget compared to 2010 budget.

	2009 ACTUAL \$	2010 PROJECTED \$	2010 BUDGET \$	2011 BUDGET \$	VARIANCE \$	%
OPERATING GRANTS:						
Federal						
DFO Grant	-	-	5,600	-	(5,600)	(100)
Federal Gas Tax Fund	19,254	-	-	-	-	-
Provincial						
Municipal Sustainability Initiative - Operating (MSI)	336,624	320,781	200,000	320,781	120,781	60
Municipal Infrastructure	224,073	-	-	-	-	-
Basic Municipal Transportation Grant	520,723	520,723	520,723	520,723	-	-
Family & Community Services Grant (FCSS)	296,491	285,820	285,820	285,820	-	-
Agricultural Services Board Grant	200,570	208,934	200,570	200,000	(570)	(0)
Rural Alberta Development Fund (RADF)	892,177	608,323	1,000,000	1,000,000	-	-
Municipal Sponsorship Grant (Discontinued 2011)	217,956	273,324	185,324	-	(185,324)	(100)
Regional Collaboration Program	-	-	5,965	25,000	19,035	319
Summer Temporary Employment Program (STEP)	4,379	-	9,500	4,506	(4,994)	(53)
ACA Grant	12,689	10,500	25,000	20,000	(5,000)	(20)
Emergency Training	5,850	-	-	-	-	-
Public Transportation	31,769	-	31,769	-	(31,769)	(100)
WCB	-	5,286	-	-	-	-
Municipal Cooperation Grant (MAP)	37,502	32,250	-	-	-	-
Strategic Transportation Infrastructure Program	85,358	-	-	-	-	-
Crown Lease	731	599	-	-	-	-
Total Operating Grants	2,886,144	2,266,540	2,470,271	2,376,830	(93,441)	(4)
CAPITAL GRANTS:						
Federal						
Federal Gas Tax Fund - Capital	764,478	-	-	800,000	800,000	-
Building Canada - Communities Component	-	127,724	207,724	80,000	(127,724)	(61)
Recreation Infrastructure Canada (RinC)	-	-	50,000	-	-	-
Provincial						
Municipal Sustainability Initiative - Capital (MSI)	61,327	7,322,911	7,550,000	2,325,000	(5,225,000)	(69)
Municipal Infrastructure - Capital (AMIP)	2,141,409	-	-	-	-	-
Strategic Transportation Infrastructure Program	685,931	568,326	1,041,880	919,000	(122,880)	(12)
Alberta Water Management & Erosion	215,891	-	-	-	-	-
JEPP	9,295	-	-	-	-	-
Total Capital Grants	3,878,332	8,018,961	8,849,604	4,124,000	(4,675,604)	(53)
TOTAL GRANTS	6,764,476	10,285,501	11,319,875	6,500,830	(4,769,045)	(42)

**MOUNTAIN VIEW COUNTY
2011 TAX LEVY BUDGET**

	Requisition for Current Year \$	Allowances and Underlevies \$	Total \$	Total Assessed Valuation \$	Tax Rates	Tax Levy \$
MUNICIPAL:						
Residential				2,107,176,175	2.33	4,909,720
Farmland				158,521,410	7.45	1,180,985
Commercial/Industrial				231,742,465	9.71	2,250,219
Machinery & Equipment				437,836,815	9.71	4,251,395
Linear				1,146,675,810	9.71	11,134,222
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EDUCATION:						
Alberta School Foundation Fund						
Residential & Farmland	4,863,097	11,500	4,874,597	2,249,284,306	2.17	4,880,947
Non-Residential	5,197,450	12,290	5,209,740	1,377,741,002	3.78	5,207,861
Opted Out School Boards						
Residential & Farmland	36,903	87	36,990	16,413,279	2.17	35,617
Non-Residential	2,550	6	2,556	677,273	3.78	2,560
<hr/>						
Senior's Housing	313,258	-12,075	301,183	4,081,952,675	0.07	285,737
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Regional Waste Management	153,103	-7,014	146,089	4,081,952,675	0.04	163,278
<hr/>						
EMS Services				4,081,952,675		
<hr/>						
TOTAL LEVY						<u>34,302,541</u>

MOUNTAIN VIEW COUNTY TAX RATE COMPARISON

	2008	2009	2010	2011	% Change
Municipal					
Residential	2.68	2.32	2.35	2.33	(0.9)
Farmland	7.03	7.50	7.47	7.45	(0.3)
Commercial/Industrial	9.00	9.66	9.71	9.83	1.2
Machinery & Equipment	9.00	9.66	9.71	9.83	1.2
Linear	9.00	9.66	9.71	9.83	1.2
Alberta School Foundation Fund (A.S.F.F.):					
Residential & Farmland	2.45	2.07	2.14	2.17	1.4
Commercial/Industrial	4.25	3.68	3.67	3.78	3.0
Linear	4.25	3.68	3.67	3.78	3.0
Mountain View Seniors' Housing	0.10	0.08	0.08	0.07	(12.5)
Mountain View Waste Management	0.06	0.04	0.04	0.04	0.0
EMS Services	0.09	0.04	0	0.00	
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Total Tax Rates:					
Residential					
Municipal	2.68	2.32	2.35	2.33	(0.9)
A.S.F.F.	2.45	2.07	2.14	2.17	1.4
Mountain View Seniors' Housing	0.10	0.08	0.08	0.07	(12.5)
Mountain View Waste Management	0.06	0.04	0.04	0.04	0.0
EMS Services	0.09	0.04	0.00	0.00	
Total Residential	<u>5.38</u>	<u>4.55</u>	<u>4.61</u>	<u>4.61</u>	0.0
Farmland					
Municipal	7.03	7.50	7.47	7.45	(0.3)
A.S.F.F.	2.45	2.07	2.14	2.17	1.4
Mountain View Seniors' Housing	0.10	0.08	0.08	0.07	(12.5)
Mountain View Waste Management	0.06	0.04	0.04	0.04	0.0
EMS Services	0.09	0.04	0.00	0.00	
Total Farmland	<u>9.73</u>	<u>9.73</u>	<u>9.73</u>	<u>9.73</u>	0.0
Commercial/Industrial	13.50	13.50	13.50	13.72	1.6
Machinery & Equipment	9.25	9.82	9.83	9.94	1.1
Linear	13.50	13.50	13.50	13.72	1.6



Mountain View
C O U N T Y

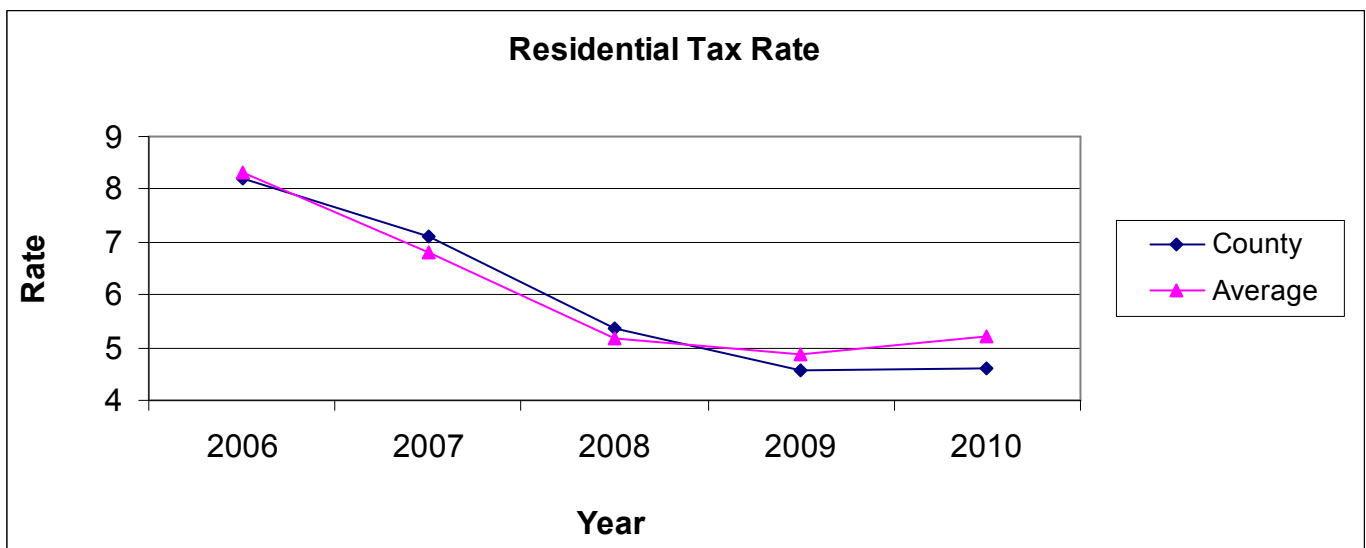
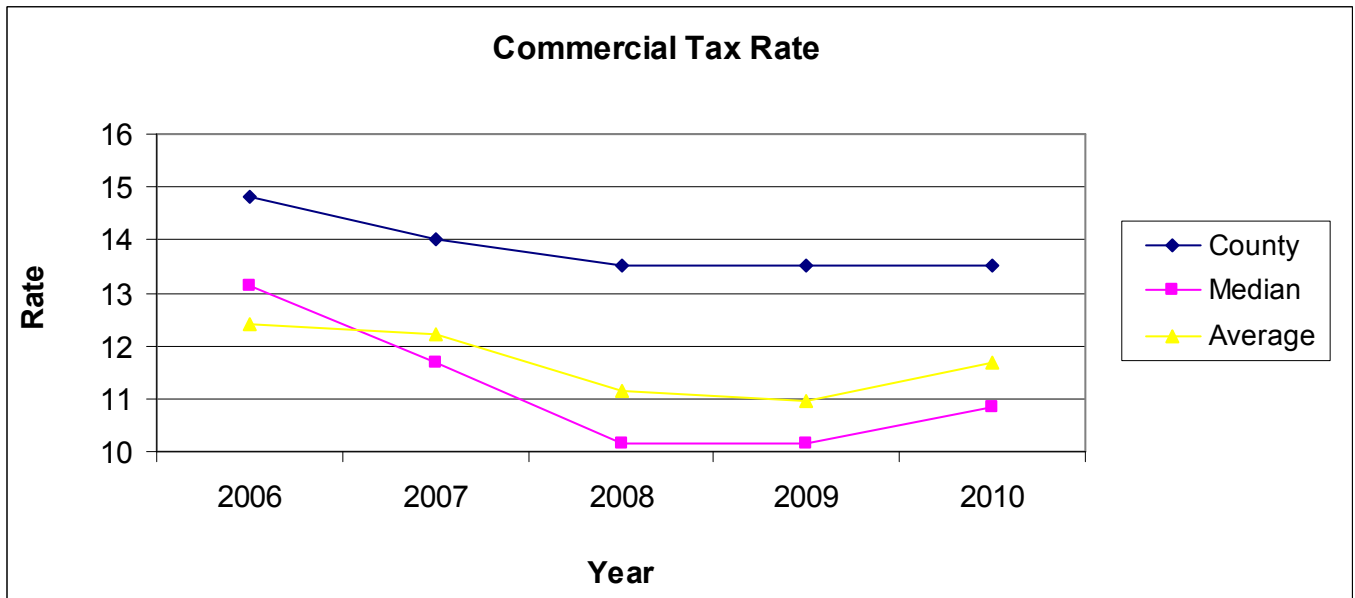
Tax Rate Comparisons

2011 Budget

Tax Rate Comparison

	2010 Excluding A.S.F.F.		2010 Including A.S.F.F.		
	Residential	Commercial	Residential	Farmland	Commercial
ROCKY VIEW	2.36	7.00	4.88	7.78	10.21
LACOMBE	2.16	4.29	4.43	6.51	8.06
WETASKIWIN	2.54	13.31	4.85	14.93	17.28
FOOTHILLS	2.49	5.91	4.91	9.87	9.58
MOUNTAIN VIEW	2.47	9.83	4.61	9.73	13.50
STURGEON	3.00	8.56	5.27	9.23	12.52
WHEATLAND	3.45	7.31	5.66	12.44	11.00
LEDUC	3.07	7.21	5.36	12.48	10.69
PARKLAND	3.79	6.98	6.26	6.26	10.22
RED DEER	3.42	10.00	5.79	10.37	13.68
Min	2.16	4.29	4.43	6.26	8.06
Max	3.79	13.31	6.26	14.93	17.28
Median	2.77	7.26	5.09	9.80	10.84
Ave	2.87	8.04	5.20	9.96	11.67





**MOUNTAIN VIEW COUNTY
2011 BUDGET
LIVE ASSESSMENT AND MUNICIPAL TAX RATE CALCULATION**

1. LIVE ASSESSMENTS:	2010 Projected \$	2011 Budget \$	Increase (Decrease) %
Residential/Farm:			
Residential	890,866,783	917,593,036	3.00
Residential Farm	1,154,935,086	1,189,583,139	3.00
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Total Residential	2,045,801,869	2,107,176,175	3.00
Agricultural Rated	158,680,242	158,521,410	(0.10)
Total Residential/Farm	2,204,482,110	2,265,697,585	2.78
Commercial/Industrial	224,992,873	231,742,465	3.00
Machinery & Equipment	416,987,913	437,836,815	5.00
Linear	1,136,447,698	1,146,675,810	0.90
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Total Live Assessment	3,982,910,594	4,081,952,675	2.49

2. FARMLAND AND RESIDENTIAL TAX REVENUE SCHEDULE:

	2010 Projected \$	2011 Budget \$	Increase (Decrease) %
Residential:			
Municipal	4,807,634	4,910,000	2.13
ASFF	4,378,016	4,509,000	2.99
Seniors' Lodges	163,664	169,000	3.26
Regional Waste Management	81,832	84,000	2.65
	<hr/>	<hr/>	
Total Residential	9,431,147	9,672,000	2.55
Farmland:			
Municipal	1,185,341	1,181,000	(0.37)
ASFF	339,576	339,000	(0.17)
Seniors' Lodges	12,694	13,000	2.41
Regional Waste Management	6,347	6,000	(5.47)
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Total Farmland	1,543,959	1,539,000	(0.32)
Total Residential and Farmland:	10,975,105	11,211,000	2.15

**MOUNTAIN VIEW COUNTY
2011 BUDGET
LIVE ASSESSMENT AND MUNICIPAL TAX RATE CALCULATION**

1. LIVE ASSESSMENTS:	2010 Projected \$	2011 Budget \$	Increase (Decrease) %
Residential/Farm:			
Residential	890,866,783	917,593,036	3.00
Residential Farm	1,154,935,086	1,189,583,139	3.00
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Total Residential	2,045,801,869	2,107,176,175	3.00
Agricultural Rated	158,680,242	158,521,410	(0.10)
Total Residential/Farm	2,204,482,110	2,265,697,585	2.78
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2. FARMLAND AND RESIDENTIAL TAX REVENUE SCHEDULE:

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Residential:			
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ASFF	4,378,016	4,509,000	2.99
Seniors' Lodges	163,664	169,000	3.26
Regional Waste Management	81,832	84,000	2.65
	<hr/>	<hr/>	
Total Residential	9,431,147	9,672,000	2.55
Farmland:			
Municipal	1,185,341	1,181,000	(0.37)
ASFF	339,576	339,000	(0.17)
Seniors' Lodges	12,694	13,000	2.41
Regional Waste Management	6,347	6,000	(5.47)
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Total Farmland	1,543,959	1,539,000	(0.32)
Total Residential and Farmland:	10,975,105	11,211,000	2.15

**MOUNTAIN VIEW COUNTY
2011 BUDGET
LIVE ASSESSMENT AND MUNICIPAL TAX RATE CALCULATION
(Continued)**

	2010 Projected \$	2011 Budget \$	Increase (Decrease) %
3. MUNICIPAL TAX REVENUE:			
Residential	4,807,634	4,910,000	2.13
Farmland	1,185,341	1,181,000	(0.37)
Commercial & Industrial	2,184,681	2,250,000	2.99
Machinery & Equipment	4,048,953	4,251,000	4.99
Linear	<u>11,034,907</u>	<u>11,134,000</u>	0.90
 Total Municipal Tax Revenue	 <u>23,261,516</u>	 <u>23,726,000</u>	 2.00

4. COMMENTS AND QUESTIONS:

- * Residential and Farmland cannot have different tax rates for ASFF (MGA 359.1(4))
- * Commercial & Industrial, Machinery & Equipment and Linear must have the same municipal tax rate(MGA 354(3.1))