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City Hall Newsletter,
May, 2008

- "...Council endorsed a **2%** increase in tax revenue to cover the increase in operating expenses."
- "...the residential property tax has increased **2.45%** on an average home in 2008."

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The FACTS "...Council endorsed a **2%** increase in tax revenue to cover the increase in operating expenses."

- City Property Tax Revenues:
2007: \$2,500,774 (1)
2008: \$2,757,479 (2)

This is a **10.26%** increase in revenue, **not 2%**, per the May newsletter.

(1) Assessed Value Roll Total 2007 X mill rate of 6.0073 per thousand (figure is also in 2008 Budget presented to Council fall, 2007)
(2) Assessed Value Roll Total 2008 X mill rate of 5.0032 per thousand (figure is also in 2008 Budget adopted by Council Spring, 2008)

Sequence: Policy regarding increase (fall), then assessed value roll totals arrive (spring), then mill rate is set BY COUNCIL to meet the revenue goal. Council had a choice to stick with its policy or not, but it certainly should NOT have said in the May newsletter and told us that it was a 2% increase when it was really a 10% increase!

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The FACTS "...the residential property tax has increased **2.45%** on an average home in 2008."

- The 2.45% residential City property tax increase on an "average home" is inaccurate (because it includes vacant land).

This is a **6.4%**, **not 2.45%** increase in City property tax on the "average home" (1)

(1) Ministry of Community Services consider an average home as an average single family home, without the misleading effect of residential vacant land, strata, etc.

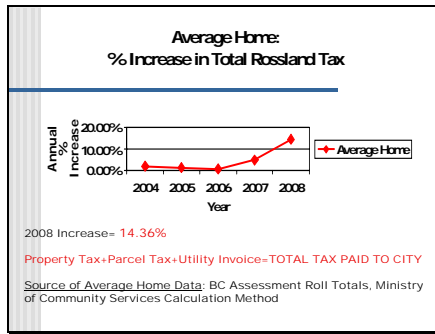
City News used 211,251 and 175,000 as average home values, total Res AV/Total occurrences. Min of Comm Svcs, me and others use the Single Family portion of the Residential Roll/# of Occurrences which is 244,432 and 191,278.

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Total Taxes Paid to City

Property Tax
+ Parcel Taxes
+ Utility Invoice
Total Tax Paid to
City of Rossland

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TOTAL INCREASE OF ABOUT
20%

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REVIEW

- City property tax revenue is up **10.26%** (not 2%)
- City property tax on the "average home" is up **6.4%** (not 2.45%)
- Total Rossland Taxes on the single family "average home" are up **14.36%**



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What questions does this raise?

- How much new construction has occurred and is "development paying its way" as we have been told?
- How do our total tax payment increases (in town) compare to taxes on condos at Red?

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Total Assessed Value New Construction

Year	Value (\$)
2004	5,200,000
2005	10,000,000
2006	15,000,000
2007	20,000,000
2008	27,300,000

Observation: Value of New Construction has steadily risen from \$5.2 million (2004) to \$27.3 million (2008) but our taxes have steadily risen also - 14.36% this past year

QUESTION: Why haven't our tax payments declined?

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Town vs Red Taxes 2008

- Total Rossland Taxes on the single family "average home" is UP 14.36%
- Total comparable Rossland Taxes on properties at Red Mountain DECLINED 14.21% (1)

(1) 9 properties at Red were used with 2008 assessed values spreading over \$261,000-\$598,000; excludes Ophir contribution payments

QUESTION: How can "development" be paying for itself?

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REVIEW

- City taxes have increased as new development values have increased.
- We were told that "Development pays for itself" (March 19, 2008)

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FINALLY

To date, development has **NOT** been "paying for itself".

Let's not charge current taxpayers for the profits of a few.

Do what is good for the community as a whole.