



# 2026

## Capital Budget & Long Term Capital Plans

December 16, 2025



# Legislated Requirements

Section 283.1 of the MGA

1. Annual Budget requirements for operating and capital budgets are unchanged.
2. At a minimum a “written” three year financial plan and a “written” five year capital plan must be prepared.
3. Multi-year plans do not include the year in which they are prepared
4. Council must review and update these plans annually

# Tangible Capital Assets (TCA)

- Tangible Capital Assets are non-financial assets having physical substance that are acquired, constructed, or developed and are held for use in the production or supply of goods and services to others; for administrative purposes, or for the development, construction, maintenance or repair of other tangible assets; have useful economic lives extending beyond an accounting period; are to be used on a continuing basis and are not for resale in the ordinary course of operations. Beneficial ownership and control clearly rests with the Town.
- Tangible Capital Assets do not include such things as:
  - Inventories held for resale (including land);
  - Capital grants;
  - Intangible assets, except for software which is tangible for the purpose of capitalization
  - Feasibility studies, business cases, management reviews (post implementation); and
  - Assets below the thresholds as outlined in the TCA Policy (under \$5,000)

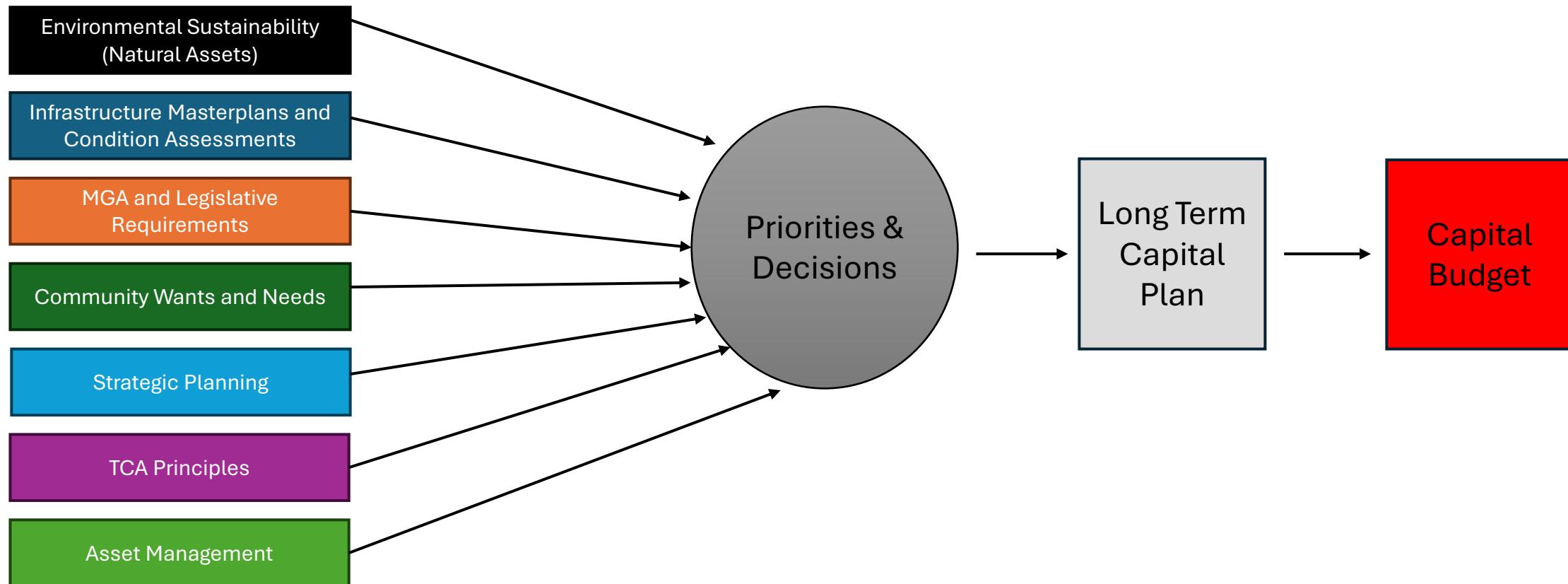
# Capital in the Municipal Context

- It is critical to understand fundamentally what capital is and how it functions in the municipal context when developing the capital budget and planning processes
- The end function and service provided has to be well understood to determine priorities
  - *Essential Core Capital* – roads, water lines, sewer, reservoirs
  - *Service Capital* – fire trucks, graders, fleet
  - *Support Capital* – software, hardware (servers), furniture, administrative buildings
  - *Social Capital* – recreation facilities, cultural facilities
- Social capital must be understood for its value to the community as “needs lists” are developed
- The political aspect of social capital requires awareness in the capital planning process as it competes for resources with other capital groups.

# Capital Competes for Resources



# Capital Planning Inputs



# Potential Projects – Factors for Evaluation

- Health and safety concerns
- Legal obligations and mandates
- Provincial or federal government legislation, grants, policy
- Economic, environmental, or social value to the community or region
- Operational benefits to the municipality
- Specific needs or demands for new/improved services or cost savings
- Investment return (e.g. saving on maintenance, new assessment)
- Capacity to leverage other resources (e.g. matching funds)
- Project feasibility (cost, time frames, management capacity)
- Strategic importance and politics (non-weighted criteria)

# Community Expectations

Demands for:

- Higher levels of service – snow removal, grass cutting, pest management, etc.
- New services – recreational programming, waste management, etc.
- New facilities – fire, pool, other recreational facilities, etc.

# vs. Resource Availability

- Tax projections
- Fees and charges projections – rate, growth, new
- Utility Rates – rate, growth, new
- Grants, debt capacity, reserves
- Political environment

Town of Redwater  
Capital Budget 2026



Project	Department	GRANTS					Technology Reserve	Offsite Levy	General Utility Reserve	Recreation Agreement Reserve	Other Reserves	Debt	Capital Budget 2026
		LGFF	CCBF	STIP	AMWWP	CHIF							
Diamond Upgrade Assessment	Administration						50,000						50,000
Security Camera System Improvements	Fire										8,500		8,500
Butt Fusion Machine	Gas								16,000				16,000
Gas Line Replacements - 65 st URW	Gas								140,000				140,000
Gas Regulator Station Upgrades	Gas								20,000				20,000
47 Ave (49st to ally, east of 48st) Sanitary Main Rehabilitation	Infrastrucutre											550,000	550,000
Portable Shoring	Infrastrucutre										28,000		28,000
Accessibility Lift	Pembina									85,000			85,000
Ice Edger	Pembina									9,000			9,000
Pump Guide Bars (Lift Station)	Sewer										6,000		6,000
Confined Space Rescue Equipment	Sewer										8,500		8,500
Wastewater System Upgrade (formerly liftstation)	Sewer				6,750,000	6,750,000							13,500,000
Lagoon Upgrade	Sewer										40,000		40,000
Aerzen Blower (Replacement)	Sewer								27,000				27,000
Sanitary Manhole Replacements	Sewer										50,000		50,000
Bridge Rehab (carryforward)	Streets	100,000		359,520							119,840		579,360
Soil Conditioner	Streets		22,000										22,000
V Plow (Toolcat)	Streets										11,000		11,000
RPM Backhoe Mounted Blower	Streets	215,000											215,000
44 Street (HWS to 51 Ave E) Overlay	Streets	115,000											115,000
Sidewalk Replacements	Streets		130,000										130,000
Storm Drainage Catch Basin Replacement (3)	Streets								22,000				22,000
Hydrant Replacement (3)	Water										50,000		50,000
Pembina Place electronic lock and entry expansion	Pembina									30,000			30,000
54 Ave overlay	Transportation	120,000											120,000
<b>Total Budget</b>		<b>\$550,000</b>	<b>\$152,000</b>	<b>\$359,520</b>	<b>\$6,750,000</b>	<b>\$6,750,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$225,000</b>	<b>\$124,000</b>	<b>\$321,840</b>	<b>\$550,000</b>	<b>\$15,832,360</b>

# 10 Year Road Overlay Plan

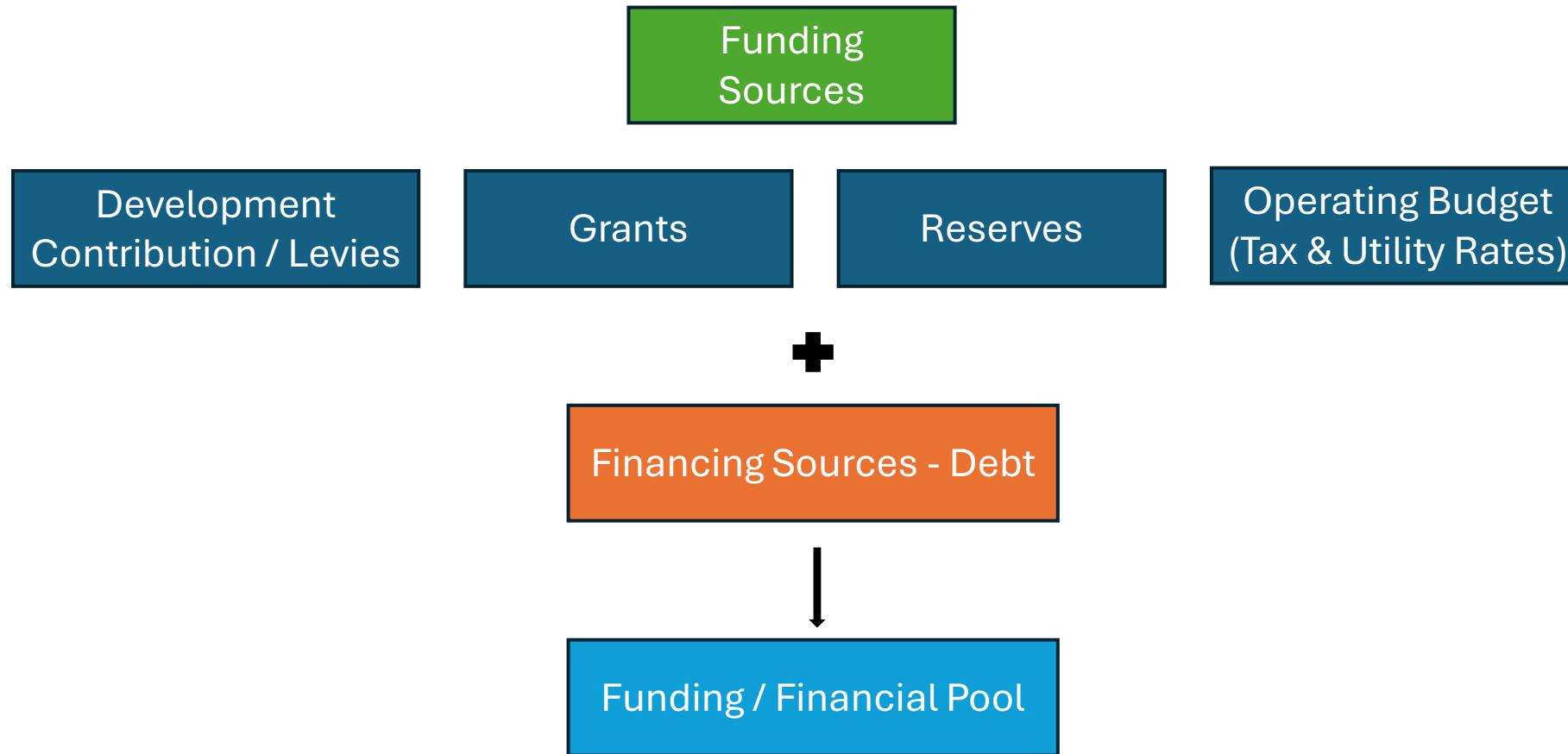
Completion Year	Project	Capital Plan Name	Actual Location Description	Sq/M	\$/Quote	FV (3%)
2026	Surface Rehab	44 St	44 St (HWY to 51 Ave E)	Quote	\$ 85,000.00	\$ 115,000.00
2027	Surface Rehab	52 Ave**	52 Ave (54St to 51 St)	353x10	\$ 92,000.00	\$ 94,760.00
2028	Surface Rehab	48 St	48 St (50 Ave to 49 Ave)	152x14	\$ 56,000.00	\$ 59,410.00
2029	Surface Rehab	50 St	50 St (50 Ave to 49 Ave)	168x14	\$ 62,000.00	\$ 67,749.00
2030	Surface Rehab	47 Ave	47 Ave (49 St to 46 St)	476x9	\$113,000.00	\$ 127,182.00
2031	Surface Rehab	50 St	50 St (52 Ave to 51 Ave)	119x10	\$ 31,000.00	\$ 35,937.00
2032	Surface Rehab	53 Ave	53 Ave (54 St to 47 St)	748x9	\$175,000.00	\$ 208,959.00
2033	Surface Rehab	54 St	54 St (53 Ave to 51 Ave)	325x9	\$ 76,050.00	\$ 93,538.00
2034	Surface Rehab	49 St	49 St (50 Ave to 49 Ave)	182x14	\$ 66,248.00	\$ 83,921.00
2035	Surface Rehab	51 St	51 St (50 Ave to 51 Ave & 52 Ave to 51 Ave)	155x10/145x10	\$ 78,000.00	\$ 101,772.00
2036	Surface Rehab	48 Ave	48 Ave (49 St Alley to 48 St)	285x16	\$120,000.00	\$ 161,270.00
					\$954,298.00	\$ 1,149,498.00

# 10 Year Gas Line Replacement Plan

Completion Year	Project	Capital Plan Name	\$/Quote	FV (3%)
2026	Line Replacement	65St URW	\$ 110,000.00	\$ 140,000.00
2027	Line Replacement	65St URW	\$ 130,000.00	\$ 133,900.00
2028	Line Replacement	HWY 38	\$ 430,000.00	\$ 456,187.00
2029	Line Replacement	53A Ave URW	\$ 150,000.00	\$ 163,909.00
2030	Line Replacement	53A Ave URW	\$ 141,000.00	\$ 158,697.00
2031	Line Replacement	53A Ave URW	\$ 150,000.00	\$ 173,891.00
2032	Line Replacement	61 St West	\$ 120,000.00	\$ 143,286.00
2033	Line Replacement	65 St URW	\$ 102,000.00	\$ 125,447.00
2034	Line Replacement	Gate Station 44St	\$ 170,000.00	\$ 215,351.00
2035	Line Replacement	Tee Fitting Eastview Cres. To Reg Station #1	\$ 152,000.00	\$ 198,326.00
2036	Line Replacement	TC Main Line	\$ 290,000.00	\$ 389,736.00
			\$ 1,945,000.00	\$ 2,298,730.00

\*\$660/Lineal M

# Capital Funding / Financial Pool



# Estimating Fiscal Capacity

## “Funding Pool” Explained

- For long term capital planning, forecasting funding sources is a critical step
- All funding sources combined form a municipality’s “funding pool”.
- Debt adds to the pool capacity but is not a funding source. Debt is a financing source.
- If debt is utilized, the ultimate funding source must be identified.
- Debt is a financing tool that is funded from:
  - Taxes
  - Utility rates
  - User fees
  - Developer levies
  - Community and intermunicipal partner contributions
  - Other
- The debt limit of a municipality at a point in time is:
  - In respect to the municipality’s total debt, 1.5 times the revenue of the municipality
  - In respect to the municipality’s debt service, 0.25 times the revenue of the municipality

# Grant Continuity

	Year	at Jan 1, 2025 \$	2025 Budgeted Projects (est)	Total \$	Actuals at Dec 31 2025	Grants 2026 Projected	2026 Budgeted Projects	Total \$	Projected at Dec 31 2026
Local Government Fiscal Framework (LGFF) (previously MSI)		286,711 459,516	Lift Station Upgrade Street Overlay 64th Street Tenco Sander w/ Vibrator and Stand Lift Station Engineering (2024 CF)	-150,000 - 90,000 - 52,000 -150,000	<b>304,227</b>	455,503	Bridge Rehab (2025 CF) 44 Street Overlay 54 Ave Overlay RPM Backhoe Mounted Blower	- 100,000 - 115,000 - 120,000 - 215,000	<b>209,730</b>
Canada Community Building Fund (previously FGTF)		23,542 173,214	Sidewalks + Increase Pre-Eng 47 Ave (Phase 1-4)	- 79,500 -110,000	<b>7,256</b>	178,458	Sidewalks Soil Conditioner	- 130,000 - 22,000	<b>33,714</b>
Strategic Transportation Infrastructure Program (STIP)		359,520		-	<b>359,520</b>	-	Bridge Rehab (CF from 2024)	- 359,520	-
Alberta Municipal Water/Wastewater Partnership (AMWWP)		-		-	-	6,750,000		- 6,750,000	-
Canada Housing Infrastructure Fund (CHIF)		-		-	-	6,750,000		- 6,750,000	-
		<b>1,302,503</b>		<b>-631,500</b>	<b>671,003</b>	<b>14,133,961</b>		<b>-14,561,520</b>	<b>243,444</b>

# Local Government Fiscal Framework - Capital

- Formerly MSI
- 2026 allocation is \$455,503, decrease from 2025 allocation of \$459,516.
- Eligible projects include purchase, construction, development, betterment, rehabilitation and non-route maintenance of capital assets
- Other eligible projects:
  - Studies, plans and system-wide reviews that directly relate to capital infrastructure
  - Relocations and adjustments of associated utilities
- Minimum LGFF funding required on an application must be at least 10% of current year's allocation. This threshold is \$45,550 based on the current year allocation.

# Canada Community-Building Fund

- Formerly Gas Tax Fund
- Intended to cover capital costs only, cannot be used for maintenance costs, operating costs, debt reduction or replacement of existing municipal infrastructure expenditures.
- 2026 allocation is unknown at this time, budgeted based on 2025 actuals (\$178,458).
- Funding can be carried forward up to five years if unused.
- May be used to fund the municipal portion of provincial grant programs that require a municipal contribution, unless doing so is prohibited by that program.
- Fund may not be used to fund municipal or provincial contributions of federal grant programs.

# Town of Redwater

## RESERVES CONTINUITY 2026 BUDGET

Reserve account	Code	Project	Current \$	2026 PROJECTS	2026 Allocations	At Dec 31, 2026	Total Projected 2026
COUNCIL	4-11-00-764	Antique Fire Truck	1,023	Council Election Expenses	3,750	1,023	4,773
OPERATING	4-12-00-764	Technology Reserve	24,521	Addition budgeted for tech	35,000		
		Administration Building	5,462	Diamond upgrade assessment (capital)	- 50,000	9,521	
LEASE BUILDING	4-13-00-764	General Building Maintenance Reserve	53,256	Lease Revenue less Expenses	15,592	68,848	68,848
FIRE	4-23-00-764	Future Capital - equipment	238,404	Per Policy (sales-veh exp)	1,550	231,454	
		General building	1,509	Security System Improvements (capital)	- 8,500	1,509	232,963
DISASTER SERVICES		Surplus SREMP	5,005			5,005	5,005
BYLAW		Replacement Truck - build up reserve	30,000			30,000	30,000
STREETS	4-32-00-764	Sidewalks	191,361	Sidewalks Capital Transfer (10K reduction)	90,000	281,361	
		General Street reserve	17,072	V Tool (toolcat) (capital)	- 11,000	6,072	
		Inclement weather/snow clearing	75,000			75,000	
		Bridge funding	112,000	Bridge Funding (capital)	- 112,000	-	362,433
WATER & SEWER	4-41-00-764	Water & sewer capital upgrades	115,346	Franchise for Water & Sewer	38,586		
				UIRR	71,511		
				Annexed Land Transfer from Admin	48,000		
				PP Debenture #3100243 Matured 9/15/25	63,537		
				PP Debenture #4001064 Matured 12/15/25	31,894		
				Pump guide bars (capital)	- 6,000		
				Confined space rescue equip (capital)	- 8,500		
				Lagoon upgrade (capital)	- 40,000		
				Hydrant replacement (capital)	- 50,000		
				Portable Shoring (capital)	- 28,000		
				Water Main repairs (operating)	- 25,000		
				Offset transfer for Deb #4004277	- 54,600		
				Offset transfer for Deb #4005364	- 56,356		
				Reservoir Inspection	- 20,000	80,419	80,419

# Town of Redwater

## RESERVES CONTINUITY 2026 BUDGET

Reserve account	Code	Project	Current \$	2026 PROJECTS	2026 Allocations	At Dec 31, 2026	Total Projected 2026
CEMETERY PERPETUAL CARE	4-56-00-764	Perpetual Care Columbarium	6,700 1,958	Per bylaw (per sales)	400	7,100 1,958	9,058
EC DEV		Downtown Business Revitalization	21,290	Transfer of 2026 Bus Licences Downtown Revitalization Grant	13,000 - 2,500	31,790	31,790
P&D - GENERAL	4-66-00-764	Lot proceeds for 2.5 acre - building up lot P&D contingency consulting Rosaterra P&D development contingency Rosaterra	53,112 79,758 1,134	NRED Matching Grant	- 45,530	53,112 34,228 1,134	88,474
POOL	4-71-00-764	Building reserve / future pool option replacement Parking lot	119,459 28,000			119,459 28,000	147,459
SPECIAL PROJECTS	4-72-00-764	Derrick Repairs Walking Trails Playground upgrades Ball Diamond/soccer pitch Skate park Community Garden Program subsidy (to release in correspondence with 2026 budget) Donation - families in need Arboretum - Green Space reserve donation NWR Granting for FCSS received 2022 c/f Temporary funding of ASFF underlevy	8,239 28,676 24,443 6,700 50,000 9,740 2,177 796 6,369 3,000 -56,963	Arboretum (operating) Rev:Temporary funding of ASFF underlevy	- 1,800	8,239 28,676 24,443 6,700 50,000 9,740 2,177 796 4,569 3,000 56,963	138,340

**Town of Redwater**  
**RESERVES CONTINUITY 2026 BUDGET**

Reserve account	Code	Project	Current \$	2026 PROJECTS	2026 Allocations	At Dec 31, 2026	Total Projected 2026
<b>PEMBINA PLACE</b>	4-73-00-764	Facility Reserve General	27,617			27,617	
		Backup generator/wiring	25,000			25,000	
		Parking Lots	45,000			45,000	
		Capital upgrades - Rec agreement	56,741	Rec Agreement Transfer Town & County Accessibility lift (capital) Ice edger (capital) Pembina place electronic lock (capital)	100,000 - 85,000 - 9,000 - 30,000	32,741	
		Naming Rights	20,000	Naming Rights	10,000	30,000	<b>160,358</b>
<b>GAS</b>	4-91-00-764	General Utility Reserve (gas, water, sewer, s	670,836	2025 UCI fees budgeted & garbage dividend Butt fusion machine (capital) Gas line replaements - 65st URW (capital) Gas regulator station upgrades (capital) Itron meter reading hardware (capital) Aerzen blower (capital) Storm drainage catch basin (capital) Sanitary manhole (capital) Big Bin Event (operating)	224,054 - 16,000 - 140,000 - 20,000 - 30,000 - 27,000 - 22,000 - 50,000 - 5,000	584,890	<b>584,890</b>
			<b>2,109,740</b>		<b>-149,948</b>		<b>1,959,792</b>

Reserve account	Code	Project	Current	Total
<b>PLANNING-OFFSITES</b>	4-66-00-765	<b>Sanitary Sewer</b> - Alluvium - Bedi - Rosaterra - Golfside - 1701917 AB - Redwater Landing	31,806 2,421 28,447 37,905 140,574 13,338	254,492
		<b>Water</b> - Rosaterra - Golfside - 2024 - Pump House Engineering (MCC a	14,712 19,604 -15,000	19,315
		<b>Storm Drainage</b> - Rosaterra - Golfside	22,482 29,957	52,438
		<b>Arterial Roads</b> - Bedi - Rosaterra - Golfside - Alluvium - 1701917 AB - Redwater Landing - HWY38/Ochre Park Intersection Upgrade	7,090 29,235 38,955 54,638 241,484 39,061 -35,155	375,308
		<b>Recreation</b> - Rosaterra	3,940	3,940
				<b>705,494</b>

# Capital Gap Calculated

- It is legislated by the MGA that matching funds be identified annually for the Annual Capital Budget.
- For the Five-Year Capital Plan, the funding pool is calculated and it is subtracted from the needs list to determine the capital gap.
- It is important to remember the numbers are cumulative. The capital gap forecasts the growing gap as capital “needs” utilize funds.
- All projects approved annually must be incorporated into the forecast to ensure the gap is not underestimated, as approved projects reduce available funding.
- The capital gap is an essential tool in determining the long-term capital challenge.

# Five Year Capital Plan

- Assumptions made regarding future grant funding – difficult to make at this time
- Established Town Reserves are included as a source of funding
- Reserve strategies through 3 Year Operating Plan included
- Review Debt Capacity Available for any “Capital Gap”
- Can the 5 Year Plan be funded?
- Other funding strategies available other than debt:
  - Other Grants
  - Ensuring annual additions to Town Reserves for future projects
  - Taxation
  - Community Contributions – seek donations
- Plan is intended to show focus to attainable projects and show the “gap” in funding to seek alternatives before the project start dates.
- Document is reviewed annually by Council.

# 5 Year Funded Capital Plan

Summary Capital Expense	2026	2027	2028	2029	2030
Sidewalks	\$ 130,000	\$ 133,900	\$ 137,917	\$ 142,055	\$ 146,316
Parking Lots	\$ -	\$ -	\$ -	\$ -	\$ -
Streets	\$ 814,360	\$ 744,760	\$ 59,410	\$ 67,749	\$ 127,182
Infrastructure	\$ 907,000	\$ 818,964	\$ 1,095,203	\$ 737,296	\$ 1,345,587
Buildings	\$ 13,585,000	\$ 473,800	\$ 11,670	\$ 860,523	\$ 225,102
Vehicles	\$ -	\$ 72,100	\$ 63,654	\$ -	\$ 996,075
Equipment	\$ 396,000	\$ 329,600	\$ 5,305	\$ 17,484	\$ 366,353
<b>Total</b>	<b>\$ 15,832,360</b>	<b>\$ 2,573,124</b>	<b>\$1,373,159</b>	<b>\$1,825,106</b>	<b>\$3,206,615</b>

Summary Potential Funding Pool	2026	2027	2028	2029	2030
Local Government Fiscal Framework (LGFF) replaces MSI (\$455k annually)	\$ 550,000	\$ 460,410	\$ 247,917	\$ 373,713	\$ 575,135
CCBF (\$178k annually)	\$ 152,000	\$ 180,250	\$ 123,064	\$ 85,233	\$ 234,105
CHIF Grant	\$ 6,750,000	\$ -	\$ -	\$ -	
Potential cost sharing Grant opportunities AMWWP/DRP for Lift Station	\$ 6,750,000	\$ -	\$ -	\$ -	
STIP for bridge rehab	\$ 359,520	\$ -	\$ -	\$ -	
Town Reserves + Offsite Levies	\$ 720,840	\$ 786,300	\$ 523,162	\$ 80,000	\$ 721,452
Taxation	\$ -	\$ 681,100	\$ -	\$ -	\$ 28,700
<b>Total Funding Pool</b>	<b>\$ 15,282,360</b>	<b>\$ 2,108,060</b>	<b>\$ 894,143</b>	<b>\$ 538,946</b>	<b>\$ 1,559,392</b>

# 5 Year Funded Capital Plan

5 Year Potential Capital Gap	2026	2027	2028	2029	2030
Cumulative Needs List	\$ 15,832,360	\$ 2,573,124	\$ 1,373,159	\$ 1,825,106	\$ 3,206,615
Cumulative Funding	\$ 15,282,360	\$ 2,108,060	\$ 894,143	\$ 538,946	\$ 1,559,392
<b>Funding (Surplus) Shortfall</b>	<b>\$ 550,000</b>	<b>\$ 465,064</b>	<b>\$ 479,016</b>	<b>\$ 1,286,160</b>	<b>\$ 1,647,223</b>
Debt Capacity Available	\$ 7,840,841	\$ 7,290,841	\$ 6,825,777	\$ 6,346,761	\$ 5,060,601
<b>5 Year Capital Gap</b>	<b>\$ 7,290,841</b>	<b>\$6,825,777</b>	<b>\$6,346,761</b>	<b>\$5,060,601</b>	<b>\$3,413,378</b>

Other Funding Strategies (outside of new debt)	2026	2027	2028	2029	2030
Increase to Franchise Fee					
Naming rights for Pembina Place/Swimming Pool					
Taxation Capital Contribution / Utility Rates Capital Rider / User Fees	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Partnerships with Sturgeon County / ICF Agreements	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000

# Questions

